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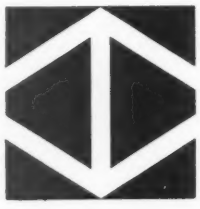

Trade and Industry

11 July 1975

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Home News

Appointments to Regional Industrial Development Boards 66
New Air Travel Reserve Fund Act Regulations 66
New regulations on air travel organisers' licensing 67
New maximum retail prices for tea 67
ISERBS advisory committee 67
Prevention of Fraud (Investments) Act 1958 68
Dealers in securities 68
Authorised unit trust schemes 68
Working party on statistical control systems 69
Household flour prices controlled 69
SW Area Transport Users' Consultative Committee chairman 69
Estate agents: A consultative document 69
Minister praises work of Auxiliary Coastguards 71
'Auxiliary Coastguard' – new film 71
Welsh Consumer Council members 71

Technology News

National Engineering Laboratory Industrial Clinic 72
Solids in the pipeline 72
UK National Data Buoy 72
Energy – brake or break 72
Defects in thick steel sections 73
The case for reclaiming water 73
CAD 76 73
Flame retardant fabrics 73

Parliament

74

Britain

The National Consumer Council is in business 78

BOTB News

New head of Exports to Japan Unit 83
New boom in Japan later this year 83
Overseas earnings of UK service industries expected to rise 83
USA – separate itineraries 83

Exhibitions and Fairs

British machine tools cut into world markets at Paris show 84
UK exhibit dominates at Melbourne's International Education Exhibition 84
Early American life at Washington embassy 85
Mountaineering gear displayed in Tokyo 85
Textile machinery for Moscow exhibition 85
Brisk business at Lisbon International Fair 86
Bagpipers in Japan 86

European Community

The Community and a more sensibly organised trading world 87
Eliminating technical barriers: Article 100 checklist 91
GSP: restoration of normal duties 94
EEC tariff quotas 1975 – exhaustions 94
British Gas receive £24 million in EIB loans 95
New EC Legislation
Common Agricultural Policy 95
Common Commercial Policy 95
Temporary suspension of import duties 95
Customs regulations 96
Customs duties 96
Harmonisation of legislation 96
Italian import deposit scheme 96

Trade Information

Notices to Importers
No. 1495. Imports of certain wild animals 97
Import duties – temporary reductions and exemptions 99
ECGD News
Multi-million pound finance for deep-water drill ship 99
Sparking plug equipment for USSR 99
Polyester factory for Spain 99
Secondhand cargo vessel for Yugoslavia 99
Hints to business men booklets 99

Tariff and Trade Notices

Australia 101, Canada 102, Chile 103, France 100, Guyana 103, Iceland 100, Indonesia 101, Italy 100, Jamaica 103, Japan 101, Kenya 101, New Zealand 102, Portugal 100, South Africa 101, Switzerland 100, United States 103

Statistics

The economy: selected indicators 104
British Film Fund Agency returns 105
Cinema admissions and takings in March 105
Registrations of British, Community and foreign films 105
UK official reserves in June 105
'Economic Progress Report' for July 105
Retail sales in May 106
Hire purchase and other instalment credit business in May 107
Capital expenditure in first quarter of 1975 108
Manufacturers' and distributors' stocks in the first quarter of 1975 111
Statistical survey of industrial fuel and energy use 114
Office equipment: new comprehensive Business Monitor 115
Business Monitor 115
UK trade in first quarter of 1975 116
Statistics of retail trading in Wales 126
Index to statistics 127

Government Sales

128

A Guide to the Departments of Industry, Trade and Prices and Consumer Protection 1-20

Into OPEC – Trade and Industry Special Report 1-76

Home News

Appointments to Regional Industrial Development Boards

The Department of Industry have announced a number of new appointments to Regional Industrial Development Boards in England. The new members are as follows:

Northern Industrial Development Board, meeting in Newcastle

P. Baines, FCIS	Former commercial director of Albright and Wilson Ltd.
G. D. Dixon	District delegate, Amalgamated Society of Boilermakers, Shipwrights, Blacksmiths and Structural Workers

North Western Industrial Development Board, meeting in Manchester

G. N. Hague, FCIS	Chairman and managing director, Welwyn Garments Ltd.
T. D. Parr	Chairman and managing director, Thomas Marshall Investments Ltd.
W. H. Aldritt, JP	Regional secretary, Liverpool, North Wales and Irish Region, General and Municipal Workers' Union
D. G. Farrar	Regional secretary, Transport and General Workers' Union

Yorkshire and Humberside Industrial Development Board, meeting in Leeds

G. W. Candelet, JP	Divisional organiser, Amalgamated Union of Engineering Workers
G. N. S. Horsley	Chairman, Northern Dairies Ltd.

South Western Industrial Development Board, meeting in Plymouth

Mrs. B. Browning	Controlling director, Jaquemand
D. M. Gillespie	Joint managing director, Olivers (Barnstaple) Ltd.
W. H. Stephens	District secretary, Transport and General Workers' Union

Announcing these changes on 7 July Gregor MacKenzie, Minister of State at the Department of Industry, said that the new appointments were made in accordance with the Government's policy of changing the membership of the Boards from time to time in order to associate as wide a spectrum of regional opinion in their work as possible. All the members were appointed in a personal capacity but on this occasion the Government had deliberately decided that they should appoint more trade union members to these Boards.

Mr. MacKenzie expressed his gratitude to the Boards for the work which they did in consideration of applications for selective financial assistance under the Industry Act and for the advice which they provided on the problems of their regions. Mr. MacKenzie said that he wished in particular to express his thanks to those members who were leaving the Boards after two or three year's service.

The Regional Industrial Development Boards were first appointed in 1972 in order to provide advice to the Government on application for selective financial assistance in the regions under the Industry Act. Members are normally appointed for two years at a time and it is the Government's intention to make new appointments to a proportion of the posts each year in order to ensure that they have access to a wide variety of opinion in the regions. All the appointments are unpaid.

Notices about appointments to the Scottish and Welsh Industrial Development Boards will be issued from the Scottish and Welsh Offices, respectively.

Gregor MacKenzie, Minister of State at the Department of Industry (third from left), pictured at the House of Commons with some of his guests when he hosted a dinner for the Scottish and Welsh Industrial Associates Corporations. The dinner was held to mark the transfer on 1 July of the Department of Industry's responsibilities for the Scottish and Welsh Corporations to the Scottish and Welsh Offices, respectively. From the left: Lord Hughes, Minister of State, Scottish Office; Colonel Sir Alastair Graesser, chairman, Welsh Industrial Estates Corporation; Mr. MacKenzie; J. H. Forbes Macpherson, chairman, Scottish Industrial Estates Corporation; Horace Heyman, chairman, English Industrial Estates Corporation; and Alec Jones, Parliamentary Under-Secretary of State, Welsh Office.

New Air Travel Reserve Fund Act Regulations

New draft Regulations, which require licensed air travel organisers to make contributions to the Air Travel Reserve Fund, which provides increased protection for holidaymakers going abroad by air, were published on 7 July 1975.

The Regulations are subject to Parliamentary approval and are made under the Air Travel Reserve Fund Act.

Air travel organisers licensed by the Civil Aviation Authority, will, for the period 1 September 1975 to 1 April 1976, have to contribute to the Fund a sum equal to 1 per cent of their turnover during that period, as a condition of holding a licence, and as announced by Eric Deakins, Parliamentary Under-Secretary of State for Trade, in the House of Commons on 19 May 1975.

From 1 April next year the contributions will be increased to 20 per cent of turnover.

A spokesman for the Department of Trade said: 'It will be up to each travel organiser to decide whether to pass on to the customer any of his contribution as part of the cost of the holiday.'

The Regulations give the Civil Aviation Authority power to require applicants for, and holders of, air travel organisers' licences to make provisional payments in respect of contributions which may subsequently become due, providing that the particular contribution period starts during the time the licence is current.

The Air Travel Reserve Fund was set up by the Government to provide a strong second line of defence for holidaymakers going abroad by air against losses arising from their air travel organiser going out of business. The organisers' individual bonding arrangements remain the customer's principal guarantee against such financial losses.

The Fund will also be able to make payments to holidaymakers who lost money as a result of the failure of Court Line and certain other tour operators in those cases where the bond monies proved insufficient.

The Civil Aviation (Air Travel Organisers' Licensing) (Reserve Fund) Regulations 1975 were laid before Parliament in draft form on 27 June. Copies are available from HMSO, price 18p net.

The Air Travel Reserve Fund Act received Royal Assent on 22 May. The Air Travel Reserve Fund Agency, has been set up under the Act to hold and manage the assets of the Air Travel Reserve Fund. Its chairman is Sir Kenneth Selby, and Mr. A. W. G. Kean, Mr. G. C. Carroll, and Mr. G. J. Skelton have been appointed as members. Further appointments will follow.

New regulations on air travel organisers' licensing

New regulations published on 3 July will make it an offence for an air travel organiser to break any of the terms of his licence.

Previously it has been an offence to contravene only those sections of the licence that specifically refer to the supply of flight accommodation.

The new regulations will also cover terms of the licence such as bonding and returns to the Civil Aviation Authority of the number of passengers carried each quarter.

They also clearly state that it is an offence for a person to state falsely that he holds an air travel organiser's licence.

The regulations, which come into force on 1 August, have been made under the Civil Aviation Act 1971.

The Civil Aviation (Air Travel Organisers' Licensing) (Second Amendment) Regulations 1975 (SI 1975 No. 1049) are available from HMSO, price 11p (16½p including postage).

New maximum retail prices for tea

New retail price limits came into force on 8 July for listed brands of subsidised tea in packets and in tea bags.

An Order, published on 8 July, increases the existing price limits by ½p a ¼ lb. in most cases. This takes account of increased costs of production and distribution and follows the Price Commission's determinations on the notifications of proposed price increases submitted by the major tea companies.

Prices in the shops will generally remain below the new limits. The extent to which retail prices may rise continues to be governed by the control exercised by the Order on distributors' profit margins.

Since 16 June retailers have been required to display the statutory maximum prices for their best-selling lines of tea. From 28 July they will also be required either to display a full list of the statutory maximum prices set for all the teas listed in the Order which are on sale in their shops or to produce such a list for inspection on request. The lists should be headed 'Statutory Maximum Prices of Subsidised Tea) or 'Statutory Maximum Prices of Subsidised Food'.

The Order is the Tea Prices (No. 2) Order 1975 (SI 1975/1083) made under Section 2 of the Prices Act 1974 as amended and was laid before Parliament on 1 July. It revokes the Tea Prices Order 1975 (SI 1975/713).

The new prices are:

Tea not in tea bags	Price in pence per 4 oz. weight
Brooke Bond Dividend	10
Co-op 99	11½
Lyons Quick Brew	12
Nambarrie	12
PG Tips	12
Typhoo	12

	Price in pence		
Tea in tea bags	Per 4 oz.	Per 8 oz.	Per 1 lb.
Brooke Bond Dividend	15½	30	—
Co-op 99	17	32½	64
Lyons Quick Brew	17½	34	67
Nambarrie	16½	32	—
PG Tips	17½	34	67
Tetley	17½	34	67
Typhoo	17½	34	67

The production of a full list of prices for inspection on request, or its public display, is provided for in Section 2(1)(b) of the Prices Act 1974 as amended by Section 2(1)(a) of the Prices Act 1975. Corresponding provision has been made in the Order for household flour and is to be made shortly in the Orders for the other subsidised foods.

ISERBS advisory committee

A small independent committee under the chairmanship of Mr. H. C. Spear, has been appointed by the Secretary of State for Industry to advise him on the operation of the Iron and Steel Employees Readaptation Benefits Scheme. The Scheme provides for resettlement aid to redundant steel workers, including training allowances, additional unemployment benefit, travel expenses assistance and tide over payments for up to two and a half years (depending on age) for those whose earnings in re-employment fall below their previous earnings as steel workers. These benefits are funded jointly by the UK Government and the Commission of the European Communities.

The committee will have the following terms of reference:

i to examine in consultation with the employer and the appropriate trade union the facts of any case relating to benefits payable under the Iron and Steel Employees Readaptation Benefits Scheme that may be referred to the committee by the Secretary of State, and to make recommendations to him;

in the light of experience of such cases, to report to the Secretary of State within two years on the general operation of the Scheme.

This means that, if any problem put to the Department of Industry by an individual steel worker or his union cannot be solved administratively, the Secretary of State will be able to ask the committee to review the case.

Top: A welder at work at Fielding and Bacon Ltd., Erith, Kent, where Air Products Ltd.'s Apachi cutting gas and argon/CO_2 welding gas mixtures are used to manufacture the Stevin anchor, one of the latest developments in the design of high-holding-power-anchors for oil rig platforms, pipelaying barges and dredgers. A Stevin anchor weighing 1 ton has a holding power in hard packed sand of 34 times its own weight, 25 in clay, 21 in gravel, 19 in mud and 13 in peat – the major categories of sea-bed consistency. To date the equivalent of 2,000 tons of Stevin anchors are operating around the world.

Bottom: Work nears completion of a 24 ft. by 7 ft. sign for Mobil Oil's Beryl A concrete production platform built in Norway. The contract for 10 plates, was won by Bribond Signs Ltd., Burgess Hill, Sussex. Bribond has carried out similar signing operations for BP and Amoco and has received orders totalling £100,000 for North Sea business.

Prevention of Fraud (Investments) Act 1958

Dealers in securities

The following changes have taken place in the lists of dealers in securities under Sections 3 and 16 of the Prevention of Fraud (Investments) Act 1958.

Licensed dealers

Additions:

Christie Owen and Davies Ltd., 32 Baker Street, London W1.

IBJ International Ltd., 14 Wallbrook, London EC4N 8BR.

Norton Warburg Ltd., 103 Cannon Street, London EC4N 5AD.

Deletions:

Sefton House Securities Ltd., 37 Upper Grosvenor Street, London W1X 9PE.

E. S. Finance Ltd., 32 Queen Anne Street, London W1H 9LB.

Change of name:

Colin Jack Emson trading as Emson and Dudley to Colin Jack Emson trading as C. J. Emson, 23 Grafton Street, London W1.

Change of address:

Mapledale Securities Ltd., 20 Tanglewood Close, Upper Shirley Road, Croydon.

Jascot Securities Ltd., 21 Leven Street, Edinburgh EH3 9LH.

Banca Nazionale del Lavoro, 33/35 Cornhill, London EC3.

Selective Guaranty Ltd., 55 Park Lane, London W1Y 3DH.

M. P. B. Russell and Co. Ltd., 7 Moorgate, London EC2R 6JN.

Exempted dealers

Change of address:

Westdeutsche Landesbank Girozentrale, 21 Austin Friars, London EC2.

Anglo-Scottish Securities Ltd., 117 Old Broad Street, London EC2N 1AL.

Trustee Savings Banks

Change of title:

Edinburgh Savings Bank to be known as 'Trustee Savings Bank of South of Scotland' from 1 May 1975.

Amalgamations:

Northumberland and Durham Trustee Savings Bank and the Sunderland Trustee Savings Bank amalgamated on 21 May 1975 to form the 'Trustee Savings Bank North East'.

Leicester Trustee Savings Bank and Nottingham Trustee Savings Bank amalgamated on 21 May 1975 to form the 'Leicester and Nottingham Trustee Savings Bank'.

Trustee Savings Bank of South of Scotland and the South of Scotland Trustee Savings Bank amalgamated on 4 June 1975 under the title of 'Trustee Savings Bank of South of Scotland'.

Trustee Savings Bank of South of Scotland and the Dumferline and District Savings Bank amalgamated on 18 June 1975 under the title of the 'Trustee Savings Bank of South of Scotland'.

Authorised Unit Trust Schemes

The following amendments have taken place in the list of unit trust schemes authorised under Section 17 of the Act and published in Part 5 of the 1975 Particulars of Dealers in Securities and of Unit Trusts.

Group and/or name and address of management company	Name of scheme	Name and address of Trustee
ADDITIONS		
Carliol Unit Fund Managers Ltd., 'A' Floor, Milburn House, Newcastle-upon-Tyne NE1 1LU	Carliol High Yield Fund	Alliance Assurance Co. Ltd., Bartholomew Lane, London EC2N 2AB
National Westminster Unit Trust Managers Ltd., 41 Lothbury, London EC2P 2BP	National Westminster Extra Income Trust	Royal Exchange Assurance, Royal Exchange, London EC3P 3DN
CHANGES		
DELETE		
Oceanic Unit Trust Managers Ltd., Pinners Hall, Austin Friars, London EC2N 2HR	Oceanic Growth Unit Trust	Lloyds Bank Ltd., 71 Lombard Street, London EC3P 3AH
	Oceanic Financial Unit Trust	Lloyds Bank Ltd., 71 Lombard Street, London EC3P 3AH
	Oceanic General Unit Trust	Lloyds Bank Ltd., 71 Lombard Street, London EC3P 3AH
	Oceanic High Income Trust	National Westminster Bank Ltd., 41 Lothbury, London EC2P 2BP
	Oceanic Investment Trust Units	Lloyds Bank Ltd., 71 Lombard Street, London EC3P 3BS
	Oceanic Recovery Unit Trust	Lloyds Bank Ltd., 71 Lombard Street, London EC3P 3BS
AND REPLACE BY		
Oceanic Unit Trust Managers Ltd., 3 Norwich Street, Fetter Lane, London EC4P 4DA	Oceanic Growth Unit Trust	The Royal Bank of Scotland Ltd., 42 St. Andrew Square, Edinburgh EH2 2YE
	Oceanic Financial Unit Trust	The Royal Bank of Scotland Ltd., 42 St. Andrew Square, Edinburgh EH2 2YE
	Oceanic General Unit Trust	The Royal Bank of Scotland Ltd., 42 St. Andrew Square, Edinburgh EH2 2YE
	Oceanic High Income Unit Trust	The Royal Bank of Scotland Ltd., 42 St. Andrew Square, Edinburgh EH2 2YE
	Oceanic Investment Trust Units	The Royal Bank of Scotland Ltd., 42 St. Andrew Square, Edinburgh EH2 2YE
	Oceanic Recovery Unit Trust	The Royal Bank of Scotland Ltd., 42 St. Andrew Square, Edinburgh EH2 2YE
DELETE		
Slater, Walker Trust Management Ltd., 30 St. Paul's Churchyard, London EC4M 8DA	Jessel Australian and General Fund	Midland Bank Trust Co. Ltd., 27/32 Poultry, London EC2P 2BX
AND REPLACE BY		
Slater Walker Trust Management Ltd., 30 St. Paul's Churchyard, London EC4M 8DA	Slater Walker Far East Unit Trust	Midland Bank Trust Co. Ltd., 27/32 Poultry, London EC2P 2BX
DELETE		
Henderson Unit Trust Management Ltd., 11 Austin Friars, London EC2N 2ED	Henderson Financial Trust	Midland Bank Trust Co. Ltd., 27/32 Poultry, London EC2P 2BX
	Henderson Investment Trust Units	Midland Bank Trust Co. Ltd., 27/32 Poultry, London EC2P 2BX

Group and/or name and address of management company	Name of scheme	Name and address of Trustee
AND REPLACE BY		
Henderson Unit Trust Management Ltd., 11 Austin Friars, London EC2N 2ED	Henderson Financial and Investment Trust Units	Midland Bank Trust Co. Ltd., 27/32 Poultry, London EC2P 2BX
DELETE		
Jascot Securities Ltd., 21 Young Street, Edinburgh EH2 4HU		
AND REPLACE BY		
Jascot Securities Ltd., 21 Leven Street, Edinburgh EH3 9LH		

AMALGAMATIONS

Henderson Investment Trust Units amalgamated with Henderson Financial Trust and the amalgamated trust was renamed Henderson Financial and Investment Trust Units

Working party on statistical control systems

A Working Party to advise on the systems of statistical control and other issues of detail which arise in the course of implementing the EEC directives on prepacked products, has been appointed by Alan Williams, Minister of State for Prices and Consumer Protection.

The principles underlying these directives are in general agreement with those recommended by a special commission of the Food and Agriculture Organisation of the United Nations and the World Health Organisation to their member states.

The terms of reference are: to consider, and report to the Secretary of State on:

a the appropriate method and pattern of enforcement

b the most suitable timing for the implementation in the UK of the system of quantity control for prepacked goods set out in the EEC directives on 'The making up by volume of certain prepackaged liquids' and 'Bottles used as measuring containers', and the proposed EEC directive on 'The making up by weight or volume of certain prepackaged products' within the terms provided for in those directives, and in the national pattern of weights and measures authorities as provided for in Section 201 of the Local Government Act 1972 and section 149 of the Local Government Act (Scotland) 1973 and on the changes needed in the law to give effects to its proposals.

The Working Party will have to consider, among other matters, how the provisions of these directives (which will have to be implemented by a change in the existing Weights and Measures Law) can most suitably be introduced into the UK. The most important change is that the projected system is based on control exercised at the point of manufacture or importation by statistically-based sampling. It will need to consider how, in the context of this pattern of weights and measures control the interests of consumer, producer, importer, distributor and retailer can best be accommodated. There will be many interests to consider and the work will range over a wide section of trade. It is likely that the work will extend beyond 1975.

The Working Party is under the chairmanship of Dr. E. N. Eden, the Under-Secretary in charge of the Standards, Weights and Measures Division and its members are drawn from the manufacturing, wholesaling and retailing trades and from organisations representing the consumer, as well as from those who have had experience in administering the existing control systems (under the Weights and Measures Act 1963).

In order that the Working Party can take into account the widest possible range of legitimate interests the Secretary will be approaching as soon as possible organisations likely to be affected, in order to give them an opportunity of presenting their point of view.

Meanwhile communications should be addressed to: The Secretary, Working Party on Metrological Control Systems, Room 529, Abell House, John Islip Street, London SW1P 4LN.

Household flour prices controlled

Price limits and controls over margins for subsidised household flour came into effect on 7 July.

An Order laid before Parliament on 1 July by Shirley Williams, Secretary of State for Prices and Consumer Protection, sets the maximum retail prices which may be charged anywhere in the United Kingdom for certain self-raising and plain flour and flour used for making chapattis.

The Order also controls distributors' margins on all subsidised flour to ensure that the subsidy is passed through to the consumer. Prices in shops will therefore generally remain below the maxima.

Retailers will be required, from 18 August, to display the maximum price of their best selling variety of flour and to provide information about the maximum prices of all the varieties of subsidised flour which they sell and for which prices limits have been fixed. The price information lists should be headed 'statutory maximum prices of subsidised flour' or 'statutory maximum prices of subsidised food'.

The Order is the Household Flour Prices Order 1975 (SI 1975 No. 1074) made under Section 2 of the Prices Act 1974 as amended by the Prices Act 1975. The maximum prices are: Plain (other than strong, wheatmeal and wholemeal), 1-lb. packet 9p; 3-lb. packet 24½p; self-raising (other than strong, wheatmeal and wholemeal), 1-lb. packet 9p, 3-lb. packet 24½p; chapatti (other than batch, brown and wholemeal), 70-lb. pack £4.00.

In accordance with the Acts, the provisions of the Order have been the subject of detailed consultations with organisations representing trade enforcement and consumer interests, including those representing the interests of the immigrant communities.

The production of a full list of prices for inspection on request as an alternative to its public display is provided for in Section 2(1)(a) of the Prices Act 1975. Corresponding provision is being made in the display requirements of the price regulation orders for other subsidised foods.

Orders are now in operation for bread, butter, cheese, tea and household flour.

Estate agents: A consultative document

A licensing system for estate agents is among the points that will be considered in a forthcoming consultative document, Alan Williams, Minister of State for Prices and Consumer Protection, announced on 2 July.

In a written reply to a Parliamentary question from Mr. Mike Thomas (Newcastle upon Tyne East), Mr. Williams stated: 'I have asked my officials to prepare a consultative document which will include consideration of a licensing system and a bonding scheme for estate agents.'

South Western area Transport Users' Consultative Committee chairman

Shirley Williams, Secretary of State for Prices and Consumer Protection, has appointed Dr. M. D. D. Newitt to be chairman of the Transport Users' Consultative Committee for the South Western area. He succeeds Lt. Col. J. K. MacFarlan who was chairman of the committee from 1965, and a member of the committee from 1963. Also, in accordance with the Transport Act 1962, Dr. Newitt will be a member of the Central Transport Users' Consultative Committee.

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Minister praises work of Auxiliary Coastguards

Stanley Clinton Davis, Parliamentary Under-Secretary of State for Companies, Aviation and Shipping, launched the new Department of Trade film 'Auxiliary Coastguard' in London on 3 July.

Mr. Clinton Davis said: 'Volunteer service – even to the point of men sacrificing their lives for the safety of others – runs deep in English social traditions. It serves as a valuable antidote to our more cynical and misanthropic moods by reminding us all of a potential for selflessness in people it is sometimes too easy to lose sight of.

'The film we are going to watch deals with a volunteer service concerned with saving life. The activities of the Auxiliary Coastguards have not, I suppose, ever attracted much publicity, but their job is, nonetheless, a crucial one – as anyone who owes his life to the watchfulness of the service will confirm.

'Every year some 6,000-7,000 people have to be rescued from around the coasts, often from almost inaccessible bays and cliffs, and the film shows the contribution made by the Auxiliaries to the Coastguard Service which is responsible for the vital task of initiating and co-ordinating search and rescue operations, whether they involve RNLI life-boats, Ministry of Defence helicopters, or the Coastguard's own rescue equipment.

'The film follows the Auxiliaries in carrying out practice cliff and breeches buoy rescues, and in the less dramatic, but essential, watchkeeping and patrolling duties. It emphasises the importance of the local knowledge that the Auxiliaries bring to the Service – for example the quickest way to reach a particular beach.

'There are 8,000 such volunteers from local communities, who report to the 363 Coastguard Stations spread around the coastline of Great Britain and Northern Ireland. And without their dedication, knowledge and willingness to maintain long and often uneventful watches, it is difficult to perceive how the Coastguard Service could function to any real effect.

'In a sense therefore the film is a deserved tribute to a group of unsung heroes; men and women about whom and about whose service to the community the general public knows so little.

'That is, until they are in trouble. And as the popularity of boating for leisure increases, so does the number of incidents reported, and the importance of the rescue service which the Coastguard provides.

'The film is therefore much more than a tribute. It is aimed at yachting and sailing clubs and other organisations operating around our coasts whose activities, by their very nature, will always involve some risk.'

Members of a cliff rescue team check their equipment in a new film 'Auxiliary Coastguard', produced in colour by the Central Office of Information for the Department of Trade. The Coastguard service could not operate effectively without the help of the men and women of its volunteer arm – the Auxiliaries. They form coast rescue teams, man lookouts, assist Regulars in watchkeeping at Coastguard stations, and carry out coast patrols; or, if they are members of the Auxiliairies' Reporting Section, they keep a lookout from their homes and report if they see anything unusual. The film shows Auxiliaries carrying out various duties, including a breeches buoy team training session and the cliff rescue of a fallen climber. Every year around the coastline of Britain the lives of several thousand people are saved – many of them as a result of prompt and courageous action of the Auxiliaries with their invaluable local knowledge.

'Auxiliary Coastguard' – new film shows life-saving work around the coast

'Auxiliary Coastguard,' a new colour film produced for the Department of Trade by the Central Office of Information and made by Ronald H. Riley and Associates Ltd., was released on 3 July.

'Auxiliary Coastguard,' which complements the film on the regular Coastguard service made in 1972, shows the contribution made by the 8,000 Auxiliaries at 363 Coastguard Stations in the vital task of co-ordinating search and rescue operations offshore and along the coast, including the more routine but essential watch-keeping duties.

The film was shot at Portreath in Cornwall and Wick in Scotland. The 'stars' are the Auxiliary Coastguards themselves.

In the film, Auxiliaries are seen assisting in watch-keeping at a Coastguard Station, carrying out practice cliff rescues and breeches buoy rescues, patrolling coastlines and visiting vantage points remote from normal traffic.

The film, which is designed to stimulate recruitment to the Auxiliary Coastguard, will also be of interest to all who work, enjoy their leisure or live at the coast.

Copies of the film are available on hire (£2.00 per 16 mm. print for the first day exclusive of VAT) from the Central Film Library, Government Building, Bromyard Avenue, Acton, London W3 7JB, or from its affiliated libraries in Scotland and Wales. Coastguard inspectors may also show the film when they address local audiences on the work of the Auxiliary Coastguard service.

The film 'The Coastguard,' made in 1972, has received 641 showings in the various Coastguard divisions to a total audience estimated at some 44,000. These are in addition to over 300 borrowings from the Central Film Library.

Welsh Consumer Council members

Members of the Welsh Consumer Council have been named by Alan Williams, Minister of State for Prices and Consumer Protection. The Council will be chaired by Mrs. Beata Lipman and the following have agreed to be members:

Mrs. Eirlys Brittain, MBE
Mr. Caspar Brook
Mrs. Joan Butcher
Mrs. Marion Ford-Hutchinson
Mrs. Sylvia Jones, JP
Mr. Joe Miller
Mrs. Shelagh Salter
Mrs. Eileen Webster, JP

Technology News

National Engineering Laboratory Industrial Clinic

Experts in all fields of engineering technology will be coming from The National Engineering Laboratory, East Kilbride, to help companies in London, Surrey, Kent, Sussex, Hampshire and the Isle of Wight with their problems.

Companies are invited to discuss their management and technical problems with the most senior scientists and engineers from the Laboratory. All interviews will be held in central London, by appointment, in the strictest confidence. There will be no charge for any advice given or, within reasonable limits, for any immediate follow-up. A charge may be made if NEL is invited to undertake an assignment, though some of this charge may be defrayed if there is a general R & D content to the work. Should the problem fall outside the scope of NEL's activities, advice will be given on other suitable organisations who may be able to help.

NEL is able to undertake a range of work from giving immediate advice on day to day problems to the larger type of development contract. Its experience includes the design and development of quieter and more efficient pumps and fans, power transmission heat exchangers, fluid flow calibration, design analysis, failure investigations, lubrication and wear, production control, rope testing and computer aided design and manufacture.

The Industrial Clinic will be held in Kingsgate House, Victoria Street, London SW1. Applications should be made to David Steel, Department of Industry, London and South East Regional Office, Concord House, 454 London Road, Croydon CR9 2QB (tel. 01-684 9781 ext. 333).

Solids in the pipeline

The proceedings of Hydrotransport 3, the third international conference organised by the British Hydromechanics Research Association, have now been published. The conference, which considered the hydraulic transport of solids in pipes, was held in Golden, Colorado, in conjunction with the Colorado School of Mines from 15-17 May 1974.

Solids pipelining has increased in importance recently as the world looks for alternative methods of transporting materials which will save fuel. Hydraulic transport is already an economic proposition for some materials, such as gravel and chalk. The method's ability to save fuel when compared with road transport has been realised in the USA, where the trend back to coal, and the realisation that it is cheaper to site power stations near the consumers rather than near the supply of raw material, have combined to make pipelining environmentally the best and most economic answer to the movement of coal.

This volume contains practical papers on the use of hydraulic pipelining in mining, quarrying, and for marine applications. In addition there are papers dealing with the economics of pipelining, and the best methods of achieving the optimum results for both pipeline and process.

It can be obtained from Publications Sales, BHRA Fluid Engineering, Cranfield, Bedford.

Energy – brake or break

A joint conference on energy use, evaluation and saving will be held in the Cafe Royal, London on 21-22 January 1976. The organisations taking part are the Institute of Fuel, the Institute of Food Science and Technology, the Institution of Production Engineers, the Chartered Institute of Transport, the Institute of Marine Engineers, the Institution of Electrical Engineers, the Institution of Mechanical Engineers and the Royal Aeronautical Society.

First, there will be a general review of the major problems and progress in conservation techniques. This will be followed by separate sessions on production, food and transport with reference to the overall conference plan. Thirdly the major features from the preceding discussions will be brought together for criticism, particularly in relation to overall energy strategies.

The UK National Data Buoy, DB.1, on its way to Lowestoft for final fitting out and commissioning. Authorised by the Ship and Marine Technology Requirements Board, the contract was awarded by the Department of Industry to Hawker Siddeley Dynamics on behalf of the Seatek Consortium, comprising Hawker Siddeley Dynamics, EMI Electronics and R. and H. Green and Silley Weir

Defects in thick steel sections

A grant has been allocated to Harwell by the European Coal and Steel Community for work on the development of ultrasonic holography for assessing defects in thick steel sections. The ECSC grant for £74,400 covers a period of three years and represents a substantial part of the estimated total cost of the proposed research, which will be carried out under the leadership of Mr. E. E. Aldridge of Electronics and Applied Physics Division in the Nondestructive Testing Centre at Harwell. The Centre, headed by Roy Sharpe, is sponsored by the Mechanical Engineering and Machine Tools Requirements Board of the Department of Industry but derives much of its income from contract research for industrial firms.

With the growing size and importance of large engineering components and the increased stresses which they have to withstand in use, adequate inspection becomes more important than ever, both during manufacture and while in service. In particular, it is important to know the precise size, shape and location of any defects inside considerable thicknesses of steel and to assess their effects on the life-time performance of each individual component.

Ultrasonics – the use of sound waves too high-pitched to be heard – has for long proved a most valuable nondestructive testing technique for studying internal defects and several variations of the method are available. In particular, the comparatively novel research technique of ultrasonic holography gives detailed '3-D' pictures of internal defects which can then be accurately located and measured, assessed for their practical significance and recorded in detail for future reference. The method, which has analogies with optical holography, uses a reference signal to interact with the probe beam, producing an interference pattern from which an ultrasonic image can be made visible on a television screen. The NDT Centre has played a leading part in the development of ultrasonic holography.

The case for reclaiming water

By installing equipment which re-cycles the final rinse water from 10 worsted piece scouring machines, Hield Bros. have reduced the amount of mains water they use by about 20,000 gallons a day. This means a reduction in their annual water bill of up to £2,000 at a capital cost of about £3,500.

This has been achieved following a feasibility study carried out by Wira, the textile technical centre, in conjunction with the firm. Earlier Wira surveys had shown that about half the rinse water discharged from piece scouring machines is suitable for re-use without any intermediate treatment.

In the scouring of woollen and worsted piece goods an average of 1,000 gallons of water is used for each piece scoured, involving a mains water cost of about 50p. Some large companies incur annual water charges in the £25,000-£100,000 range and in a few cases even higher. Re-cycling of water could result in very significant savings in such firms.

Where direct re-cycling is not possible, intermediate treatment costs about 75p-£1.00 per 1,000 gallons compared with 50p per 1,000 gallons for fresh water. However, if water is re-used, trade effluent charges are reduced, by up to 35p-50p per 1,000 gallons, and any economic assessment should take this into account.

CAD 76

CAD 76, the second international conference and exhibition on computers in engineering and building design, will present a forum for the discussion of significant developments and applications in the use of the computer as a design tool. It will be held in the Imperial College, London on 23, 24 and 25 March 1976.

An important double event embracing civil engineering, structural engineering, geometric design, design linked to manufacture, and building and plant design, CAD 76 will be organised by the IPC Science and Technology Press journal *Computer Aided Design*.

The exhibition, sponsored by *Computer Weekly*, is expected to be larger than last year's, with more software, services and equipment companies displaying and demonstrating their products.

Exhibiting firms are offered a package deal with a fully furnished shell stand ready to move into, complete with lighting, carpets and facia board with company name and stand number. Inclusive costs of these stands range from £195 to £600 depending on area and site location.

Further details can be obtained from Tom McGowran, CAD 76, IPC Science and Technology Press, 32 High Street, Guildford, Surrey GU1 3EW. Telephone 0483 71661; telex 859556.

Flame retardant fabrics

Every year people die in fires. Hospitals, hotels, schools and other public places as well as the home are all vulnerable. It is important not only to determine the causes but to decide what can be done to reduce the danger of it happening again.

The flame retardant furnishing fabrics on display at The Design Centre from 10 June to 26 July highlight one of the ways in which fire might be checked. Flame retardant curtains and upholstery form only one component in a totally furnished environment but one which can make a room considerably safer. The rate at which flames can spread up curtains is frightening and yet with the use of flame retardant materials this particular hazard can be reduced.

All the fabrics on display satisfy the British Standard 3120, currently the only British Standard on fabric flammability although new Standards are being prepared. The man-made fibres used such as Monsanto modacrylic, Courtaulds' Darelle and Teklan are inherently non-flammable in that they will not support combustion once the source of ignition is removed. Apart from wool, which has a certain degree of natural flame retardancy, other natural fibres need to be chemically treated. Cotton and other cellulosics can be treated with Pyrovatex CP, a durable flame retardant finish made by Ciba Geigy (UK) Ltd., whilst the International Wool Secretariat has developed a finish for wool.

Also on display is the revolutionary Ergo-Net-X seat developed by British Rail for modern transport. Using flame retardant materials the chair is designed to be tough yet comfortable in a wide range of seating positions. The surface of the black and orange flame retardant cloth, a warp net in 100 per cent pure new wool, is combined with a polyester net base knitted together as an integral flame retardant fabric. This covering material was developed by the International Wool Secretariat's technical centre at Ilkley, Yorkshire.

Flame retardant furnishing fabrics on display at the London Design Centre. The exhibition lasts until 26 July.

Parliament

Monday, 30 June

Prices policy in France

Mr. Keith Stainton (Sudbury and Woodbridge) asked if the Secretary of State for Prices and Consumer Protection had studied and assessed the applicability here of certain French price freeze devices and, in particular, the Government-inspired seasonal price cuts (such as winter clothes in November) which are intended to ameliorate the price index while higher sales compensate trades for lesser margins.

'My Department maintains continuous observation of prices policy in France,' Mr. Maclennan replied. 'Action on prices in France may be either voluntary, like the operation "Frein sur les Prix" in 1974, or compulsory, like the selective price freeze announced by the Finance Minister on 3 June. Allowing for the difference between our countries, our 10 per cent cut on retailers' margins accompanied by the voluntary agreement which concentrated the reductions on goods of maximum interest to the poorer consumer achieved similar results. The subsidy and price control powers in the Prices Act 1974 have enabled us to act selectively, as the French and others have done from time to time.'

Price controls

Mr. Peter Mills (West Devon) asked if the Secretary of State for Prices and Consumer Protection would: 'refrain from imposing further price controls on bread and other manufactured foods in view of the present low margin of profitability and the consequent detriment to the consumer in the long term.'

Mr. Maclennan answered: 'In considering whether changes in price controls may be needed, I have in mind the need to ensure that margins are sufficient to safeguard supplies and employment, and also the need to maintain effective action against inflation.'

Complaints about price increases

Mr. Eddie Loyden (Liverpool, Garston) asked how many complaints were received by the Department of Prices and Consumer Protection on price increases in the three months before 26 June 1975.

'About 600,' said Mr. Maclennan.

Marshall Fowler factory, Gainsborough

Mr. Marcus Kimball (Gainsborough) inquired what, if any, prior warning had been received by the Secretary of State for Industry about the phasing out of work at the Marshall Fowler factory in Gainsborough; and what Government help had been offered.

'The parent company told my Department of its intentions about two weeks ago,' said Mr. Kaufman. 'It made no request for Government help, having concluded that Marshall Fowler could not be made commercially viable.'

Co-operative Development Agency

Mr. Sydney Tierney (Birmingham, Yardley) asked if the Secretary of State for Industry has any plans for the early introduction of a Co-operative Development Agency.

'The Government are still considering the proposal to establish a Co-operative Development Agency,' said Mr. Kaufman. 'No decisions have yet been taken.'

Industrial development in Smethwick

Mr. Andrew Faulds (Warley East) asked how many industrial development certificates have been refused in the Smethwick constituency in each of the years 1964 to 1970 and in Warley East from 1970 to 1974.

Mr. MacKenzie, stating that statistics in respect of industrial development certificates are related to Employment Office Areas, gave the following figures for the Smethwick and Oldbury EOAs combined:

	Certificates refused
1964	0
1965	1
1966	3
1967	3
1968	4
1969	2
1970	2
1971	1
1972	0
1973	1
1974	1

Steel making

Mr. Ian Wrigglesworth (Teesside Thornaby) asked for the names and representative capacities of the Working Party considering the economics of modernised steel making.

Mr. Kaufman answered: 'The Working Party consists of officials with appropriate responsibilities drawn from the Departments concerned who are advising me about the merits of investment in steelmaking capacity at Shotton and Port Talbot, taking account of both the social consequences and the implications for British Steel Corporation developments elsewhere.'

Trade with China and Comecon countries

Mr. E. Fernyhough (Jarrow) asked for figures showing the exports from Great Britain to China and the Comecon countries for the last five years and the exports from the rest of the EEC nations to China and the Comecon countries during the same period.

Mr. Deakins told him that figures for United Kingdom exports to China and the Comecon countries for 1970 to 1973 are given on page 271 of the *Annual Abstract of Statistics 1974*. Similar figures for 1974 are shown in Table V of the December 1974 edition of the *Overseas Trade Statistics of the United Kingdom*. Figures for the rest of the EEC and for the UK, both expressed in millions of US dollars, are available in Series A of OECD's *Statistics of Foreign Trade*.

Anti-dumping – textile and footwear industries

Mr. Mike Noble (Rossendale) asked the Secretary of State for Trade how many applications he has received requesting the implementation of anti-dumping regulations, from firms in the various sectors of the textile industry; and how many have been successfully processed since 1 January 1974.

Mr. Deakins answered: 'Over the past two years we have received only one formal application requesting anti-dumping action from the textile industry. This alleged the dumping of acrylic yarn from the Far East. As other Community countries were involved it was dealt with by the European Economic Commission. It was processed before 1 January 1974 and price undertakings were

Ministers at the Department of Industry

Secretary of State for Industry: Eric Varley
Ministers of State: Lord Beswick
Gregor MacKenzie
Parliamentary Under-Secretary of State: Gerald Kaufman

Ministers at the Department of Trade

Secretary of State for Trade: Peter Shore
Parliamentary Under-Secretaries of State: Eric Deakins
Stanley Clinton Davis

Ministers at the Department of Prices and Consumer Protection

Secretary of State for Prices and Consumer Protection: Shirley Williams
Minister of State: Alan Williams
Parliamentary Under-Secretary of State: Robert Maclennan

given by the supplying countries. Following a further approach from the UK industry at the end of 1974 the Commission have been reviewing the situation. Apart from that we have recently had informal inquiries and complaints which may lead to formal anti-dumping applications. We are currently discussing these with the industries concerned.'

Mr. Noble asked a similar question in respect of the footwear industry.

Mr. Deakins said: 'My Department has received no formal application for anti-dumping action, or the implementation of anti-dumping Regulations, since 1973 when an application for action against allegedly dumped imports of men's leather footwear from certain Comecon countries was put into abeyance with the agreement of the industry.'

Luton Airport

Mr. Robin Corbett (Hemel Hempstead) asked for estimates of the number of passengers expected to use Luton Airport in 1975, 1976, 1980 and 1985.

Mr. Clinton Davis answered: 'Forecasts of air traffic in the London area as a whole, but not for individual airports, are being prepared as part of the further consideration of airport developments following the abandonment of the Maplin airport project. I understand that the Luton Airport Authority expect about 2 million passengers to use the airport in 1975.'

Mr. Corbett also inquired what discussions have been held with Luton Borough Council concerning a possible increase in the air traffic at Luton Airport to allow the handling of 5 million passengers a year by the mid-1980s.

Mr. Clinton Davis said: 'Following the abandonment of the Maplin airport project, preliminary consultations have been held with the owners of airports including Luton, and with local authorities and other organisations concerned with airport developments. These discussions will be taken into account in the further consultations which I hope shortly to announce.'

Self-sufficiency in energy

Mr. Peter Hardy (Rother Valley) asked by what date the Secretary of Energy expects Great Britain to be self-sufficient in energy.

'Great Britain is expected to be largely self-sufficient in energy by 1980,' said Mr. Anthony Wedgwood Benn, Secretary of State for Energy.

North Sea oil

Mr. Ian Gow (Eastbourne) asked for the latest estimate of the amount of oil which the United Kingdom will obtain from the North Sea over the next five years and the estimated cost of that oil, compared with the cost of oil imported from overseas.

Mr. John Smith, Parliamentary Under-Secretary of State, Department of Energy, said: 'Between now and the end of 1980 we expect total oil production from the UK Continental Shelf to amount to between 300 and 350 million tons. Using the latest valuation for similar oil currently imported, the cost at current prices in national resources of importing this quantity would be between 11 and 14 billion (thousand million) pounds. On the same basis, the cost of production could be in the region of half the import cost, though because a large share of this will be in respect of domestic resources, the benefit to the balance of payments will be very much larger than half the import cost.'

Security of radioactive elements

'Is the Secretary of State for Energy satisfied with current arrangements to ensure the security of plutonium and other radioactive elements?' Mr. Jim Lester (Beeston) asked.

'Yes Sir, and they are kept under review with a view to maintaining the highest standards,' answered Mr. Alex Eadie, Parliamentary Under-Secretary of State, Department of Energy.

Tuesday, 1 July

Footwear industry

Mr. Terry Walker (Kingswood) asked the Secretary of State for Industry: 'Whether his department have had talks with the British footwear manufacturers about protecting jobs in the British footwear manufacturing industry?'

'Yes,' said Mr. Kaufman. 'My Department is in frequent contact with the British Footwear Manufacturers Federation, other trade organisations and individual firms about issues which have a bearing on employment levels in the footwear industry. Both immediate problems and longer term issues are being discussed in the joint study of the footwear industry which we have instituted with manufacturers and trade unions.'

Lucas Company

Mr. Tom Litterick (Birmingham, Selly Oak) asked if the Secretary of State for Industry would intervene to assist those about to be affected by the 2,800 redundancies announced by the Lucas Co. on Friday, 6 June.

Mr. MacKenzie said: 'I have at present no powers to intervene, but the services of the Employment Service Agency are available to assist those affected to find alternative employment.'

British films quota

Mr. Phillip Whitehead (Derby North) asked if the Secretary of State for Trade has decided the level of quota of British films to be shown by exhibition during the year beginning 1 January 1976

Mr. Deakins answered that the Cinematograph Films Council's recommendation was that there should be no change in the level of exhibitors' quota at 30 per cent for first feature films and 25 per cent for supporting programme for the year beginning 1 January 1976. 'This advice has been accepted,' he added.

Retail Price Index

Mr. Knox asked if the Secretary of State for Prices and Consumer Protection would express the increase in the Retail Price Index during the latest month as an annual rate.

'The Retail Price Index for May was 4.2 per cent higher than the previous month's,' said Mrs Williams. 'Expressed at an annual rate the increase would be 70.4 per cent. However since more than half the rise in the May figure resulted from increases in direct taxation introduced in the Budget, which will not recur in future months, the figure has no statistical relevance.'

Nationalisation of aircraft and shipbuilding industries

Dr. J. Dickson Mabon (Greenock and Port Glasgow) and Mr. Teddy Taylor (Glasgow, Cathcart) asked the Secretary of State for Industry for a statement on the future of the Government's plans for the nationalisation of the aircraft and shipbuilding industries.

Mr. Varleys' reply was published in *Trade and Industry* last week (page 2).

Waste paper

Mr. David Knox inquired about research into the collection and recycling of waste paper.

Mr. Kaufman answered: 'The Advisory Group on Waste Paper Recycling has been examining local authority waste paper collection systems and it is hoped to publish information and guidance for local authorities later this summer. The Department of the Environment is also supporting investigations into the reactions of householders to various waste paper collection schemes. The Advisory Group has already approved a detailed programme of research and development aimed at enabling the wider use of waste paper for recycling. This programme is being implemented by my Department and a number of research projects have already been put in hand.'

Consumer prices

Mr T. H. H. Skeet (Bedford) asked for a comparison of the rise in consumer prices in the past six months in OECD countries, and for similar information in respect of all EEC countries. Mr. David Knox (Leek) asked for a table showing for each member state of OECD the percentage increase or decrease in food prices for each year since 1945.

Figures were circulated in the *Official Report* by Mr. Maclennan.

Wednesday, 2 July

Aircraft noise

Mr. Sydney Tierney (Birmingham, Yardley) asked the Secretary of State for Trade what approaches he has made to the West Midlands County Council Airports Committee regarding the implementation of a noise insulation grants scheme.

'The question of a noise insulation grants scheme at Birmingham Airport is primarily a matter for the airport owners, the West Midlands County Council.' answered Mr. Clinton Davis. 'However, because of my general interest in aircraft noise abatement matters, I recently wrote to the Chairman of the Airport Sub-Committee of the Council about progress towards instituting such a scheme and he has replied that the County Council intend promoting local legislation this year which will include provision for the making of noise insulation grants to householders in the vicinity of Birmingham Airport.'

Wreck of the 'Association'

Mr. Andrew Faulds asked the Secretary of State for Trade, what steps he took, as the co-administrator of salvage laws, to ensure that a full record was kept of the artifacts and coins from the wreck of the Association, *before such pieces went to auction, proceeds from which his department received.*

Mr. Clinton Davis answered: 'Part IX of the Merchant Shipping Act 1894 which deals with the disposal of unclaimed wreck and the payment of salvage does not require that a

permanent record of such wreck is kept. However lists of the items referred to appear in the auctioneer's catalogues, copies of which are available in my Department for study, on request.'

Appointments by the Secretary of State for Trade

Mr. Maurice Edelman (Coventry North West) asked the Secretary of State for Trade: 'What was the percentage change in the number of offices of profit outside the appointments system of the Civil Service Commission within his gift between 1 January 1963 and 1 January 1975, and in their total value?'

Mr. Deakins answered: 'On 1 January 1963 the President of the Board of Trade had made 34 public appointments at salaries totalling £40,350. On 1 January 1975 54 persons held public appointments within his gift at salaries totalling £302,992. These increases, of 59 per cent and 651 per cent, respectively, are largely the result of changes in Departmental responsibilities.'

Sandilands Committee on Company Accounts and Inflation

Mr. Peter Snape (West Bromwich East) asked if the Secretary of State for Trade has yet received the report of the Sandilands Committee on Company Accounts and Inflation.

'Yes,' said Mr. Shore. 'The Chancellor of the Exchequer and I have now received the Committee's Report and we are arranging for its publication with the minimum of delay. I would like to take this opportunity of expressing my thanks, and those of my Rt. Hon. Friend the Chancellor, to the Chairman and Members of the Committee for the valuable work they have done and for completing their Report on such a difficult and complex matter in well under two years.'

Norton Villiers Triumph

Mr. Skeet asked the Secretary of State for Industry for a statement on the security of state loans granted to Norton Villiers Triumph; and whether any further aid to the company is being contemplated.

Mr. Varley answered: 'The Government has made no loans directly to Norton Villiers Triumph Ltd. Assistance given in 1973 took the form of an investment of £4.972 million in Preference Shares in the company. In the event of a winding-up those shares have priority over all other shares in the company.

'My Department has guaranteed up to £8 million of loans by banks to this company for the purpose of financing exports of motor cycles. The security to be given for the guaranteed loans is currently under discussion with the company. ECGD has also offered guarantees of up to £6 million to Norton Villiers Triumph Ltd. for the purpose of financing exports of motor cycles produced by the Meriden Co-operative. My predecessor commissioned consultants to examine the situation in the British motor cycle industry and its prospects. When their report has been received I will consider what the Government's policy towards the industry should be.'

EEC funds for scientific research

Mrs. Winifred Ewing (Moray and Nairn) asked what EEC projects are under discussion by the Commission for fresh funds for scientific research; what proportion of this proposed research it is proposed to spend in England, Scotland and Wales, respectively; and what sums have been spent on scientific research in each of the last five years and where.

Mr. Kaufman answered that the only current Commission proposals not yet approved by the Council and which could entail fresh funds for scientific research are:

R/60/75: Review of Joint Research Centre programmes.

R/162/75: Energy research.

R/1113/75: Agricultural research.

He continued: 'Once a programme has been adopted by the Council, implementation is again a matter for the Commission, who place research contracts wherever they consider the work can best be done for the benefit of the Community as a whole. It is not usually possible to say in advance what proportion will be spent in different parts of the Community, nor is such information available for past years. Since the UK joined the European Communities in 1973, the sums budgeted for research have been as follows:'

		1973	1974	1975
Euratom + EEC	mua*	74.7	84.1	96.0
	(£m	31.1	35.0	40.0)
ECSC	mua	18.5	23.5	36.9
	(£m	7.7	12.3	19.8)

* Million units of account.

Stamp trading at petrol stations

Mr. Arthur Palmer (Bristol North East) asked the Secretary of State for Prices and Consumer Protection: 'What has been the response to the letter from her department, published in Motor Trader *of 21 August 1974, inviting the submission of evidence to back up the claim that stamp trading at petrol service stations is against the general interest?'*

Neither this nor subsequent correspondence with the editor of the magazine has yet produced any factual evidence that stamp trading operates to the detriment of the consumer, answered Mr. Williams. 'If any evidence exists, I shall be glad to consider it.'

Estate agents

Mr. Mike Thomas (Newcastle upon Tyne East) asked the Secretary of State for Prices and Consumer Protection what plans she has to introduce legislation to control estate agents.

Mr. Williams replied: 'I have asked my officials to prepare a consultative document which will include consideration of a licensing system and a bonding scheme for estate agents.'

Public ownership: capital gains tax

Mrs. Ann Taylor (Bolton West) asked the Chancellor of the Exchequer: 'What capital gains tax liability would be incurred by a shareholder of a company whose shares are compulsorily acquired under provisions of the Industry Bill or the Aircraft and Shipbuilding Industries Bill?'

Mr. Joel Barnett, Chief Secretary to the Treasury, gave the following answer: 'Where the compensation is paid in cash any gain on disposal is chargeable to capital gains tax, and any loss qualifies for relief, at the time of the disposal. Where compensation is paid by the issue of Government stock, paragraph 5, Schedule 7, Finance Act 1965, provides that shareholders shall not be liable to tax on capital gains nor entitled to relief in respect of any losses arising on the occasion when they exchange their existing holdings for Government stock; instead, they are deemed to have acquired the stock at the same time and at the same cost as their existing holdings. Gains and losses accruing on the disposal of Government stock are outside the scope of capital gains tax unless a disposal takes place within 12 months of acquisition. Under the existing rules, therefore, where a shareholder is compensated by the issue of Government stock and subsequently sells the stock, any net gain or net loss on the shares and stock would be left out of account for capital gains tax unless the combined period of ownership of the shares and the Government stock was less than 12 months.

'My Rt. Hon. Friend intends to introduce amending legislation in the 1976 Finance Bill to provide that where the compensation is paid by the issue of Government stock, any gains which have accrued on an existing holding of shares will be assessed when the Government stock is disposed of and any losses will similarly be available for relief. It is also my Rt. Hon. Friend's intention to provide that any gain or loss on the Government stock itself will be within the scope of capital gains tax until that stock has itself been held for more than 12 months. Further, my Rt. Hon. Friend will propose that the legislation should apply to a vesting following the enactment of the Industry Bill or of the Aircraft and Shipbuilding Industries Bill, notwithstanding that the date of such vesting preceded the 1976 Finance Bill.'

Nuclear energy programme

Mr. Andrew Faulds (Warley East) asked: 'What are the present and planned sources of uranium for the use of the civil nuclear energy programme in the United Kingdom?'

Mr. Eadie said: 'The United Kingdom's uranium requirements up till the early 1980's are covered by existing stocks and contracts placed in Canada and Southern Africa. Opportunities for placing further contracts are being sought on a world wide basis.'

Mr. Faulds also asked for a list of the foreign atomic energy agencies with which the United Kingdom Atomic Energy Agency co-operates.

Mr. Eadie answered: 'The UKAEA co-operate with their counterparts in countries overseas both bilaterally and through their association with international organisations such as the International Atomic Energy Agency, the International Energy Agency, the Nuclear Energy Agency and EURATOM. In addition to numerous contracts and agreements relating to consultancy work and other services which the Authority have signed with overseas agencies, the Authority have concluded agreements providing for general collaboration or for information exchanges on specified topics with organisations concerned with atomic energy in Australia,

Austria, Belgium, Brazil, Canada, Czechoslovakia, Denmark, France, Greece, Japan, The Netherlands, New Zealand, Norway, Pakistan, South Africa, Sweden, the USA and the USSR.'

Oil production platforms

Mr. John Evans (Newton) asked how many oil production platforms are under construction in the UK; and in which yards they are being built.

Mr. Smith told him that seven oil production platforms are currently under construction in the UK as follows:

Constructor and site	Number being built
Steel platforms	
Highland Fabricators, Nigg Bay	1
McDermott Scotland Ltd., Ardersier	1
RDL (North Sea) Ltd., Methil	1
Laing Offshore, Graythorp	1
Concrete platforms	
McAlpine, Ardyne Point	2
Howard Doris, Kishorn	1

Non-oil trade with OECD

Figures were requested by Mr Knox to show for each year since 1959 the United Kingdom's non-oil trade deficit with each member country of the OECD both in terms of pounds sterling and as a percentage of the UK total trade deficit.

Mr. Deakins circulated the required information in the *Official Report*.

Thursday, 3 July

Milk subsidies

Mr. Andrew Welsh (South Angus) asked if the Secretary of State for Prices and Consumer Protection intends to retain consumer subsidies on milk; and what financial effect this decision will have on farmers and consumers.

Mr. Maclennan answered: 'It is our present intention to continue to subsidise milk for liquid consumption. The existing subsidy on milk is estimated to save about 38p per week for a typical family of two adults and two children. The financial position of dairy farmers is not directly affected by the subsidy.'

Food price increases

Mr. Toby Jessel (Twickenham) asked to be told the present annual rate of food price increases based on the latest available figures.

Mr. Maclennan answered that over the 12 months to May 1975 the Food Index rose by 27 per cent.

Price of vegetables

Mr. Eddie Loyden (Liverpool, Garston) asked for a statement on the quality and prices of vegetables on sale in shops.

Mr. Maclennan answered: 'Each Thursday my Department publishes a forecast of the price situation on vegetables and other fresh foods, including relevant information on supplies, for the coming weekend. This information is also available to telephone callers on 01-246 8035. Supplies and prices of vegetables have been affected by the recent dry weather.'

Friday, 4 July

Mercury substitutes

Mr. Tam Dalyell (West Lothian) asked what research is being done into the problems of mercury substitutes, owing to the likely world shortages of mercury.

'While, as my Hon. Friend will know, there is a surplus of mercury in the world at present, both economic and environmental factors have recently stimulated research into substitutes, and mercury has been entirely replaced in some applications,' said Mr. Kaufman. 'Such research, which is continuing, will help to extend the useful life of existing resources and also to lessen the United Kingdom's dependence on imports of mercury.'

Assistance under Industry Act

Mrs. Winifred Ewing (Moray and Nairn) asked to be told the total sum of money given to date as assistance under the Industry Act 1972.

'£581,334,000 in gross terms up to 31 May 1975,' said Mr. MacKenzie.

Mrs. Ewing also asked about the number of companies who have received grants and loans under £10,000 under the Industry Act 1972; of these how many were registered in Scotland; and the total sum of all such grants or loans.

Mr. MacKenzie answered that, up to 31 May 1975, the following offers were made, under Section 7 of the Industry Act 1972, of grants and loans of less than £10,000:

'I regret that the required information about the number of companies registered in Scotland is not readily available,' said Mr. MacKenzie.

Advance factories

Mr. Robert Kilroy-Silk (Ormskirk) asked how many of the advance factories to be built in 1976-77 are to be located in Kirkby or on the Knowsley Industrial Estate.

'Nine advance factories totalling 140,000 sq. ft. are under construction on the Knowsley Industrial Estate,' said Mr. MacKenzie. 'Three are due for completion during the late summer and the remainder by the spring of next year. No further factories are planned there at present.'

Mr. Dafydd Thomas (Merioneth) wanted to know the average period of time between the announcement of an advance factory by the Department of Industry and completion of construction.

Mr. MacKenzie said: 'Taking advance factories completed since February 1974, and including cases where land first had to be acquired, the average was 26 months.'

Darjeeling Holding Co.

Mr. Kevin McNamara (Kingston upon Hull Central) asked if the Secretary of State for Trade would confirm that he proposes to appoint inspectors to investigate the affairs of Darjeeling Holding Co. Ltd.

'Yes,' said Mr. Clinton Davis. 'It was announced on 2 July that the Secretary of State proposes to appoint inspectors under the provisions of Section 164 of the Companies Act 1948 following the receipt of applications for investigation of the affairs of the company from some 140 shareholders holding in excess of 20 per cent of the issued share capital.'

Suez Canal

Mr. Robert McCrindle (Brentwood and Ongar) inquired about the numbers and proportion to the total of British-registered ships which have used the Suez Canal since its re-opening.

Mr. Clinton Davis said: 'Five north-bound and eight south-bound British-registered ships have used the Suez Canal since it was re-opened. I regret I have no information about the total number involved.'

	Scotland		UK including Scotland	
	No.	Value (£'000)	No.	Value (£'000)
Loans	10	52	38	245
Interest relief grants (based on a notional loan value of less than £10,000)	22	23	114	115
Removal grants	33	88	226	679

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Britain

The National Consumer Council is in business

Mr. Young, you are one of the country's leading and most outspoken campaigners in looking after the interests of the consumer, notably through the Consumers' Association and the Advisory Centre for Education. In accepting the chairmanship of the National Consumer Council, which obtains its running costs from the Government, do you in any way feel inhibited as to the areas you can examine or the degree to which you might exert pressure on behalf of the consumer?

No, not at all. The Council is entirely free to speak its mind. Mrs. Shirley Williams has made this quite clear herself. I would not have taken the job otherwise.

Your appointment as Chairman was made less than six months ago, and the other 18 members of the Council were announced a matter of weeks rather than months ago, and so it is very early days for the organisation. However, during this time and at the two meetings of the Council so far held, have you been able to agree on aspects of consumer interest which must be given priority treatment?

Yes, we have reached some decisions already, about some of the subjects on which we want to do feasibility studies before making a final commitment. For example, under the heading of 'Social Services' we are starting an inquiry on whether people on low incomes pay more for similar kinds of goods and services than better-off people. We are making a pilot investigation on the question of whether wives' housekeeping allowances have been increased as fast as their husbands' wages. We're also trying to find out about the credit institutions which poorer people use – money-lenders, Provident check operators, loan clubs, etc. – and also about the quality of the goods obtainable from credit-only shops in poorer areas, compared with similar goods supplied in high street stores.

We are also conducting a pilot survey on whether people in some city areas and some rural areas do pay more for standard groceries and other goods, whether poorer people pay more than better-off people, especially the people that rely on corner shops because they haven't got the transport to get them to more distant shopping centres where there may be supermarkets. We're also starting an inquiry on whether the pricing policies of the nationalised energy industries might need review in the interests of poorer consumers. I mention this as the first of the bunch of investigations we are undertaking because we decided at our first meeting that we could give at least as much weight to the needs of users of social services, considered very widely, as to the needs of the consumer of commercial goods and services.

Then there's another example of a relatively straight consumer subject – we are beginning work on the formal remit that we had from the Secretary of State for Prices and Consumer Protection, to undertake a review of the consumer consultative councils in the nationalised industries; we are just beginning work on this. We have been asked to report by the end of March 1976 and this we shall endeavour to do.

A third general heading for us is economic policy, as far as it affects consumer interest. One of our main concerns here has been with the problem that obsesses most people in the country – that is inflation. And we have spent a good amount of staff time, and the time of members of the Council, in discussing what might be a sensible proposal from the consumer point of view to add to other proposals that have been put forward for debate.

Could I come back on one point – you are considering for example the allowances paid to housewives and also whether people in certain areas are dependent on the corner shop and have to pay more than people with easy access to a supermarket. What do you feel in fact that you can do about this, in those sort of areas?

We don't know. The Council has no powers, it is purely a campaigning, partisan body to represent the consumer interest to government bodies and others. We don't even know until we have conducted the inquiry and got the facts what kind of proposals for action might be put forward. The first thing is to try and get more of the facts and we hope that proposals for action will arise out of the inquiry and then of course we shall press the appropriate authority to take action, if indeed action is feasible. But it would be premature now to say what we are going to propose about corner shops and housekeeping allowances and so on, and if I start discussing it and give my own personal views we shall go on for much too long.

You are still in the process of establishing the permanent organisation of the NCC and gathering together the staff who will form the full-time secretariat. When do you expect to be fully operational?

I cannot say. I do not know how long it is going to take to bring together the staff, nor even at the moment how long it is going to take to get an office where the staff can be housed. My guess is that we will be what you might call fully operational in about 12 months' time.

In addition to the National Consumer Council, associated councils are also being established for

Michael Young, Chairman, discusses with Roy Stiles the tasks that lie ahead for this new Government-backed consumer's organisation

Scotland and Wales. Do you consider that it will be necessary to set up a further regional organisation structure?

Associated Councils are being established for Scotland, Wales and Northern Ireland and in each case they are being called by the same name, the Scottish Consumer Council, the Welsh Consumer Council and the Northern Ireland Consumer Council. The Northern Ireland Consumer Council is not like the others, and it is not being paid for out of the grant that we receive from the Government for the National Consumer Council. It is being paid for directly by the Northern Ireland Government, but it is linked with us. We will not have the money to set up a further regional organisation structure – the budget for the first year is only £300,000. We do hope, however, to set up a number of experimental local, district and city consumer councils – the counterparts in some ways of the local trades councils and chambers of commerce – and these will not be regional, but we will be very interested in these and we will give them what support we can. The Lambeth Borough Council decided to set up a local consumer council on their own initiative, partly as the result of what I said in my opening statement when I was appointed Chairman at the end of January. It was, in part, a response to my plea for local consumers councils that the Lambeth Council decided to do what it did, and maybe other local authorities will do the same.

You see these consumer councils, once they are established, as being sounding points for possible further action?

I see them having a special role in relation to what is sometimes called the local advice industry, or consumer shops. There are citizens' advice bureaux, consumer advice centres, housing advice centres, legal advice centres and a lot of other information centres in different cities and towns. They might be able to give a better service to the citizens if they had rather closer links between themselves, and the local consumer council might help to bring such bodies more closer together than they have been in the past.

You feel that there is a need for the centralising of consumer services?

No, not centralising – just closer working together.

What means and methods are open to the NCC in its attempts to recitfy situations which it considers undesirable? In other words, how will you show your teeth?

We do not have any teeth. We have no powers.

But you obviously must have considered how effective you can be and, therefore, the means by which you can make known your deliberations and views.

I think the Consumers' Association, and it is only one of many bodies that have done some campaigning on the consumers' behalf, has had some success in the particular efforts it has made. For instance, to get the law changed even though it has no powers – any more than we will have. Let me give some examples. The Consumers' Association's evidence to the Crowther Committee on credit was certainly among the most crucial evidence the Crowther Committee got, and it was in fact largely acted on and embodied in the Consumer Credit Act. The Unsolicited Goods and Services Act, 1971, was drafted by the staff of the Consumers' Association and got on the statute book as a result of the work done by two private Members, Arthur Davidson and Philip Goodhart.

The Litigants in Persons Costs Bill also came from the Consumers' Association in its original conception and if it does go through it will mean that poorer people will not be at such a disadvantage when they do pursue their own cases on their own behalf in County Courts. Again, as a result of the work of the Consumers' Association, at any rate in part, the Local Government Act was amended to allow local authorities to pay for Consumer Advice Centres out of the general rate instead of out of the penny rate, which had been the case before.

If a body like that can achieve a degree of success of that sort – and I've only mentioned legislative successes – it should be the case that a body like ours, which has more resources for this kind of purpose than any voluntary body has had so far, should be able to have some successes as well, although it will probably be several years before we achieve them. You can have a lot of influence without any power.

At the time of your appointment you expressed particular concern at the plight of the poor and disadvantaged consumers. You felt that, because of their lack of means or ability to express their complaints, they were getting a worse deal than the middle classes. Has the Council yet been able to consider the issues involved and prepare any recommendations which might make life easier for these people, for whom very often helpful legislation is already in existence but is not exploited?

Well, the answer is yes. We have considered the issues involved and several of the projects we are mounting are to do with the needs of

Michael Young, Chairman of the National Consumer Council.

The National Consumer Council is in business *continued*

'inarticulate and disadvantaged people' as they're referred to in the Government's White Paper on the National Consumers Agency; but we certainly have not got to the point where we can make any recommendations because the projects we have mounted are only in the very early stages. And then I am up against it because we will not be able to make an announcement about even what we are doing until the middle of July.

Criticism has been levelled in the past that the users' councils of the nationalised industries are ineffective as far as the consumer is concerned. Shirley Williams, the Secretary of State for Prices and Consumer Protection, has now asked the Council to review the arrangements for consumer protection in the nationalised industries. Will the Council be examining this issue in the near future and do you have any views in this area which you would care to express now?

We have just started the inquiry. We have just done our first round of visits to chairmen, consultative councils and are making appointments with staff from the councils. We are beginning to get together the facts and considering what needs to be done to bring up to date the information in the report of the Select Committee on nationalised industries, which was published in the session 1970–71, was on relations with the public and was the biggest report there has been yet. But in some respects the report needs bringing up to date. Anyway, we are only just starting the work and it would not be right for me to express any views about what conclusions we are likely to come to.

You are not noted for being over-cautious, as evidenced recently by the bold proposals you put forward for combating inflation when as a 'new boy' you attended your first meeting as a member of the National Economic Development Council. Did you consider your proposals workable – for example, could you see workers accepting pay restraint while at the same time paying much higher National Insurance contributions – or was it more an attempt to get discussion and action going along fresh lines? This also raises the question of whether or not you consider that the NCC should concern itself with the question of prices, bearing in mind the suggestion of the Molony Committee that pricing should have no part in consumer protection.

The proposals put forward for combating inflation by the National Consumer Council were not in the event discussed at the meeting because the subject of inflation was not on the agenda.

But you did put it forward as a serious proposition.

Oh yes, I intend to keep it alive as far as possible. The main principle underlying the proposal was that something must be done about prices, in order to get concessions by the trade union movement on wage restraint. The trade union leaders are under continuous pressure from their members to get increases in wages simply because prices are going up so fast. If the Government were able to offer anything in the way of price stability, or even in moderating the increase in prices, then they might get a much better deal from the unions than they would otherwise get. But the mere extension and stiffening of price control as it is at the moment would, in my view, be quite wrong. Generally, profit margins in industry are being over-squeezed by price control: hence the bankruptcies in certain industries, hence the low rate of investment. There has been a much lower rate of investment in industry than almost anyone concerned with the standard of life would want. It is only if the level of investment can be increased that we have a reasonable chance of actually increasing our standards of life in this country in a few years' time. So, to extend price control as it is I do not think would be right – and so what else is there to offer? I do not think there is anything else to offer in the way of moderating the rise in prices, let alone stabilising them, unless it could be accepted that a price freeze – at any rate covering the prices of certain goods and services – should be paid for by subsidies. The subsidies would again have to be paid for by people, unless the inflationary pressures are to remain as they have been and the sterling exchange rate again to be threatened even more than it is at the moment. So it seems to be inescapable, if one is going to suggest price moderation, which I think is right, and I suggest there should be an actual price freeze on a range of essentials. Then one must couple that with a proposal that there should be an extension of the subsidies that already exist for food and so on, and must couple that further with a proposal about how the subsidy should be paid for. The only way I see it could possibly be paid for, were the Government to go for this proposal, would be by increasing the National Insurance contribution by a fairly substantial amount. It is impossible, unfortunately, to alter the income tax rates except at the beginning of the tax year.

So this is an immediate increase in the cost of living on the part of individuals?

Not the cost of living, no. It is an immediate reduction in the take-home pay from the time when the policy took effect. The actual cost of living for essentials would be held stable from that point.

Yes, but they would have to pay the National Insurance contributions immediately, at the same time as you are trying to get their agreement to hold back on demands for higher wages. You feel this is a practical and possible proposition?

Yes. I think that prices ought to be part of any general deal with the unions. I do not see any other way, apart from this, whereby prices could be made part of a general deal.

And what about this point of whether NCC should in fact get involved in prices, in view of what the Molony Committee had to say about prices in consumer protection?

The answer is obvious by what we've done. We do consider that the NCC should concern itself with prices, yes.

What about the international scene, especially now that Britain is a committed member of the EEC. With the increasing international trade in products and the growth of multi-national manufacturing corporations, do you consider that the NCC has a particular role to play in this area?

Now that the result of the Referendum is known, obviously we will be very much concerned with the EEC. One of our Council members, June Evans, is already a member of the Economic and Social Committee in Brussels and another, Max Wood, is a member of the Consumer Consultative Committee. So we shall be represented there by two of our members who are already fairly well versed in some of the intricacies of the Common Market and especially in the kind of thing that is being done on behalf of the consumer. And we will be – I guess increasingly over the years – concerned with all that comes out from Brussels which might lead to the greater protection of, or possibly the discrimination against, consumer interests.

How do you see the Council's role in relation to the Office of Fair Trading and the Consumer Protection Advisory Committee?

Our role is to represent what we consider the consumer interest to the Office of Fair Trading on any issue that we want to take up with them that lies within the powers of the Director General. I do not think we have any, or will have any, direct link with the Consumer Protection Advisory Committee, which is set up under the Fair Trading Act for a very special purpose – that is to say examining proposals made by the Director General under Part II of the Act for new subordinate legislation.

The NCC will have a comparatively small secretariat, and I believe that at present there are no other formal channels of organisation. How does the Council – or Councils with the Scottish and Welsh equivalents – expect to find out where action is needed? Will issues raised direct by individuals be welcomed? And how will you make sure that the NCC's presence is known so that people with a consumer platform know where to go with their case?

We certainly won't welcome individual complaints by members of the public, because we will not be able to act on them with a very small staff. We will welcome suggestions from individuals about general issues, the policy that they think we ought to be concerned with. But we certainly do not want to get pairs of children's shoes that prove defective sent to us, for action by us. The most important work I think we can do relating to this question is to do what we can to see that the local advice and information centres do work as effectively as possible, and make sure that we get from them, as well as from any national surveys that we might conduct, a steady flow of information about the kind of complaint that consumers are making, get from them the best evidence we can about where the shoe is pinching, and not just children's shoes either.

You will not have an organisation to disseminate literature. Do you feel this is a disadvantage?

Of course, we will publish reports. They will be available to the public and some of them will be on sale – reports on inquiries we make and so on. What we will not have the resources to do, and it would be ridiculous for us to do so, is to have a nationwide mass distribution of leaflets of some sort or another. This is not our job – and thank God it isn't – but we are bound to publish both in printed form and publicise on television and radio what the aims of the Council are.

And generally, through the composition of your Council, your role will be to contact many organisations, so that their views on any particular issues will be known to you?

Sure.

There are plans to hold a National Consumer Congress at Manchester in September. What more can this congress achieve than could be undertaken normally by the NCC?

The National Consumer Council itself will ordinarily meet in private and its proceedings will be confidential. The National Consumer Congress will not be confidential. The Congress we are proposing to hold in Manchester in September will be a public affair and the proceedings will be out in the public arena, naturally. We shall be presenting ourselves and our projects for general discussion and we will

The National Consumer Council is in business *continued*

be inviting views on these projects and also on other subjects that we might take up from the people who attend the Congress. We are inviting a large number of organisations to send representatives there, straight consumer bodies, and many organisations who represent the users of social services in one field or another. These are the kind of bodies that if we do decide to make the Consumer Congress an annual affair could be affiliated to it on a more permanent basis, if they wished.

Do you think you will be inviting people like the CBI and trade unions?

No. We shall be inviting representatives of political parties to speak at the first session of the conference, but we will not be asking political parties to send formal representatives to the main Congress, although I have no doubt there will be members of all political parties there in fact.

With the growing amount of consumer protection legislation appearing on the statute book, and an expanding number of organisations and associations acting as watchdogs for the consumer, is there not a danger that we might over-protect ourselves, resulting in a decline in responsibility and discernment on the part of the individual shopper? Also, might we not discourage enterprise among companies, particularly the smaller ones without full legal and consultative services, in introducing new products and services?

You talk about the expanding number of organisations acting as watchdogs for the consumer. One can pretty well number these organisations on the fingers of two hands. The number of organisations representing employers certainly runs into hundreds, and may run into thousands; in fact, I am sure, really, it runs into thousands. The number of trade unions is also very large. That one should say or imply that there are too many organisations representing the consumer when one sees how many there are on the other side of the three-cornered table seems to me fairly ridiculous.

The existing consumer organisations are all voluntary affairs; they are all straitened for money. Since the demise of the old Consumer Council, since the Government of the day – in my view unwisely – decided to axe it, there hasn't been any body whose general concern is with orchestrating, as it were, the organisations that already exist, to try to present a concerted point of view to the Government, to industrialists, and to trade unions. I think there is certainly a case for such an organisation existing.

I think there is so much to be done still, that there is not going to be any danger, at least for decades at any rate, that there will be too much protection for the consumer. I expect, in one way or another, the consumer movement, as we might call it, of which the Council is part, will in fact be a growing movement for certainly many decades ahead, even if it does not last as long as a century.

Trade unions started because individual employees were fairly defenceless when faced with an employer, who had much more power than they did; that's why they banded together. Individual consumers, when they are shopping or when they are visiting the outpatients department of a hospital, or trying to make their views felt in the school their children attend, can also be very defenceless in the face of retailers, big business, big organisations, in or out of the Government sphere. To somewhat correct the balance of power between the suppliers of public and other services, and their consumers, is quite as big a task as the trade unionists had in trying somewhat to correct the balance between individual employee and the employers, who were often organised together. The trade unions may now be too strong, but it would be a long time before anyone I think would be able to complain that the consumer organisations were too strong. Perhaps the day will come, but it will be long after I'm dead.

What about this fear of small companies being discouraged from putting new products on the market, or trying out new products, in case they are accused either of charging too much – which might impair the process of developing the product – or perhaps of producing a faulty product? Will they fear strong consumer protection organisations?

I would require evidence on that. I have not heard any evidence of it, of companies deciding not to introduce new products in case they were subject to particularly harsh criticism when they were put on the market. Until the evidence is produced, I would not think it worth spending a lot of time on. If it turned out there was evidence of this kind, then of course, one would have to take account of it. I think, in general, if companies before they decided to produce a new product had any fear that the product they were going to put on the market might be subject to very stringent criticism, on grounds of safety or any other grounds, then they should not produce the new product, and it is just as well that they should know in advance that there might be that criticism levelled against it. They only ought to be producing a new product if it is intended to add to consumer satisfaction and certainly be safe, and at a reasonable price, and so on; otherwise it is much better that they don't introduce it on to the market, but keep it on file as one of these ideas that never got out of the box.

BOTB News

New head of Exports to Japan Unit

J. I. (Hamish) McGhie took up his post on 1 July as Head of the British Overseas Trade Board's Exports to Japan Unit and Special Adviser to the Board on the Japanese market.

Speaking in London, Mr. McGhie emphasised the encouraging trend in British exports to Japan since 1973 when a special trade drive on the Japanese market was launched. Mr. McGhie said: 'Over 1,200 British exporters have visited Japan under BOTB-sponsored trade promotion schemes. At the British Export Marketing Centre in Tokyo 18 official exhibitions have been held and the companies which took part have announced firm orders worth £2.5 million and expect further business worth about £15 million.'

As examples of firm orders received during exhibitions, Mr. McGhie quoted £277,000 for medical equipment, £536,000 for processed foods and £750,000 for audio equipment.

In addition to exhibitions, the British Overseas Trade Board have sponsored 143 store promotions in Japanese stores and supermarkets. Indeed, British consumer goods exports have doubled over the past two years and now account for 40 per cent of our total exports to Japan. Mr. McGhie said that given a consistent marketing effort they should continue to go from strength to strength. Extra buying by the big department stores alone for the 53 promotions held during the Queen's visit in May amounts to over £30 million.

In total British exports to Japan have risen by 104 per cent over the past three years and amounted to £321 million in 1974. Mr. McGhie said Japan still offers expanding markets for many different types of British goods in both consumer and capital sectors. 'It has been a stimulating experience helping British exporters in Japan and I now look forward very much to continuing the work at this end, in Britain,' he said.

New boom in Japan later this year

'We can confidently expect increased movement in the Japanese economy before the end of this year' said Jim Ivins of the British Overseas Trade Board's Exports to Japan Unit speaking recently at a conference on selling to the Japanese market organised by the Department of Industry's Nottingham Office.

Mr. Ivins, who has recently joined the Board after spending seven years with the British Embassy's Commercial Department in Tokyo, said there was clear evidence now that Japan's short term economic recession was at an end. It was vital that British firms should plan immediately to take advantage of the opportunities which lay ahead, and not wait until the openness of the market had been demonstrated by our competitors. He stressed that worthwhile business could be secured in Japan only by careful nurture of business contacts. The personal relationship was all important and this could take time to establish.

Norman Lott, Regional Director of the Department of Industry's East Midlands Office in Nottingham, which provides BOTB export promotion services to East Midlands firms, said that the Conference had afforded an excellent opportunity for firms interested in exporting to Japan to obtain information about the market.

USA separate itineraries

An item appearing under this heading on page 35 of the 4 July issue of *Trade and Industry* mentioned an outward mission sponsored by the Birmingham Chamber of Industry and Commerce to the USA in which the participants were able to pursue separate itineraries. The Department of Trade Fairs and Promotions Branch have pointed out that this was the first mission of this type to be sponsored by the Birmingham Chamber.

However, 'scatter' missions (i.e. those enabling participants to pursue separate itineraries, having first assembled at a common start-off point in the country concerned, have long been a feature of BOTB's Outward Mission Scheme and are regarded as a most appropriate vehicle for tackling the complex North American market.

Overseas earnings of UK service industries expected to rise 10 per cent in 1975

The net overseas earnings of Britain's service industries are expected to grow, mainly through price increases, by 10 per cent in 1975, in spite of the major recession in world trade. This is one of the main findings of the fourth annual survey into the prospects for invisible earnings conducted by the Committee on Invisible Exports.

Fifteen major groups, accounting for some 60 per cent of the UK's invisible exports, took part in the survey.

Much of the expected growth is due to price increases, particularly from the airlines and in receipts from tourism. Those unable to raise their prices due to competitive international markets may experience a fall in earnings, and the earnings of the Baltic Exchange, commodity merchants and the shipping industry are all likely to suffer in this way until there is a marked revival in world trade.

However, consulting engineers and the construction industry expect increased turnover to improve their earnings markedly, mainly due to their involvement in the Middle East, and both the Stock Exchange and insurance brokers expect an increase in their volume of business to increase earnings. Receipts from tourism should also be boosted by an increased number of visitors.

A large part of the growth in invisible earnings in 1975 will be due to increasing involvement with the Middle East. Many sectors, notably banking, insurance, shipping, brokerage, the construction industry, engineering consultants and export houses, expect their earnings from this area to increase markedly in 1975.

In answer to a question on the long-term effects of OPEC countries' wealth, nearly all invisible earners expected these to benefit them substantially for at least the next ten years. Profits are expected not only from the handling of surplus funds but also from a contribution to the internal economic development of OPEC countries.

In answer to a question on the effects of sterling fluctuation on the volume of respondents' invisible transactions, it emerged that while depreciation of sterling helped to maintain the price competitiveness of most invisible earners in the face of accelerating inflation, the control of inflation and a stable currency were both required if a serious loss of overseas confidence was to be avoided.

Respondents were asked to name the factors most likely to restrict their overseas earnings in both the short and the long-term.

Inflation is the most serious threat to earnings because of its effect on competitiveness in overseas markets. It is also felt that it impedes expansion because of the attendant relatively high interest rates and that it contributes to foreign lack of confidence in sterling and in the UK economy. This lack of confidence is a threat to London's international position.

Exhibitions and Fairs

British machine tools cut into world markets at Paris show

From Clive Almond, Second Secretary (Commercial), British Embassy, Paris: British machine tool and component manufacturers were present in strength at the first European world-wide Machine Tool Exhibition, held in Paris from 17-26 June. Over 400 exhibitors from 25 countries took part in the show, the largest and most comprehensive display of machine tools to be held this year. The British contingent of 83 companies was sponsored jointly by the Machine Tool Trade Association and the British Overseas Trade Board. The British participation ranked fifth in size after West Germany, France, Italy and Switzerland.

The exhibition attracted 150,000 visitors of whom 35 per cent (40,000) came from abroad. Many British firms said they had not come to the event with any high expectations but there was general agreement among them about the good quality of inquiries received. An unusually high proportion of visitors showed serious interest in buying machines when the time was right. It was clear that the general economic uncertainty and the recession in machine tool industry affected all Western manufacturing countries. The only markets showing signs of buoyancy were those of Eastern Europe.

The main interest on the British stands was in specialised and sophisticated machines. British firms with their own subsidiaries, or good local agents or distributors in the overseas markets concerned, seemed to have most success. Firm orders at the exhibition were generally few, but some British firms did quite well, mainly because of the new specialised machines they were marketing. Among them were EMI-MEC whose recent research and development programme included a new low cost automatic capstan lathe which paid off at the exhibition with orders running into double figures. Other British firms who had a successful exhibition were Ackworthie, who took orders for £124,000 and Futurnill, with orders for £100,000.

The British group on the whole, and particularly Kearney and Trecker and Wickman, were in the end very satisfied with the number of contacts they made. However, there was a certain disappointment that there was little sign of a recovery in European demand or of investment in new productive capacity by the UK manufacturing industries.

Among the distinguished visitors to the British stands were French Prime Minister, M. Chirac and the Minister for Industry and Research, M. D'Ornano, to whom Sir Edward Tomkins, British Ambassador to France introduced Eric Deakins, Parliamentary Under-Secretary of State for Trade, and Mr. Trowbridge, President of the MTTA and Managing Director of Wickman Machine Tool Co.

British exports of machine tools last year totalled £107 million of which £6.5 million came to France, our fourth largest customer after the USA, South Africa and Italy. The market for machine tools in France is good. It still imports nearly half its requirements but the British effort represents only 4 per cent of the total French machine tool import market.

Eric Deakins (left), Parliamentary Under-Secretary of State for Trade, pictured at the Paris Machine Tool Exhibition with (left to right) Sir Edward Tomkins, the British Ambassador in Paris, George Trowbridge, President of the MTTA, and Jacques Chirac, the French Prime Minister.

UK exhibit dominates at Melbourne's International Education Exhibition

From J. Richards, Senior Commercial Officer, British Consulate-General, Melbourne: In wintry weather the Industrial Council for Educational and Training Technology (ICETT) and the British Overseas Trade Board sponsored a joint venture at the International Education Exhibition and Conference in Melbourne, held from 17-21 June. Twenty-five British firms, comprising the largest national group, participated in the exhibition.

The British exhibit, occupying 5,000 sq. ft., was the dominating feature of the exhibition and a number of the products on display were shown on the Australian market for the first time and created a high degree of interest.

The Australian market is a relatively valuable one although it is geographically widespread and to some extent unsophisticated.

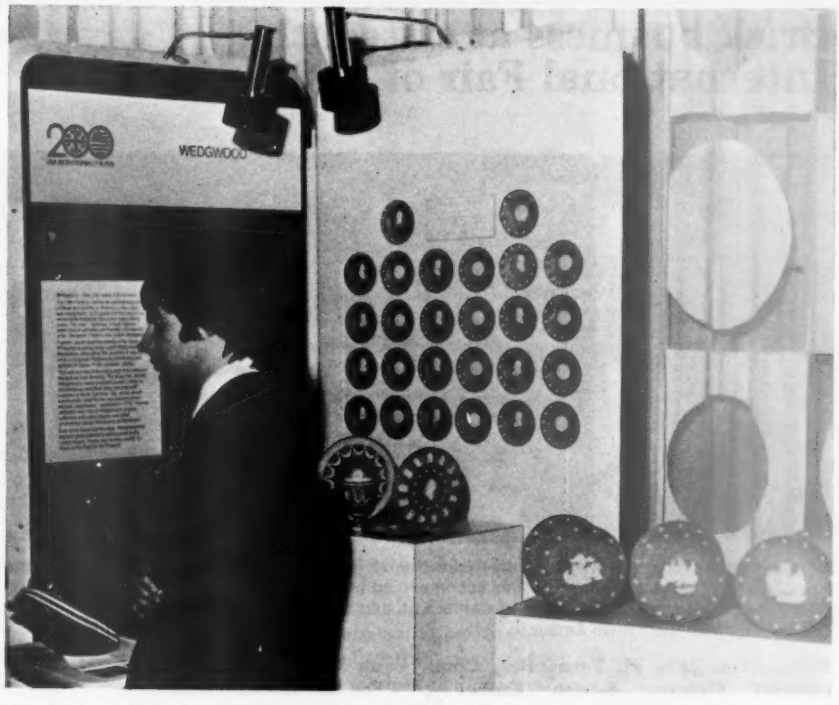
Expenditure on education in Australia is reaching new heights with a large injection of funds by the Federal Government for equipment, materials and systems. Most British exhibitors expressed themselves satisfied with the level of inquiries and the business they achieved.

Visitors browsing on the stand of Macdonald Educational at the Australian International Education Exhibition in Melbourne.

Early American life at Washington embassy

From David Petersen, British Information Services, British Embassy, Washington: Nineteen British firms, most of them working through their American subsidiaries, recently gathered under the roof of the British Embassy Rotunda in Washington DC and unveiled their varied range of Bicentennial related products to department store buyers, owners of gift shops and representatives of the trade and consumer press. This display, the first official event designed to introduce to America a sampling of the tasteful commemorative products UK firms have to offer, was sponsored by the Trade Promotion Section of the Embassy with the support of the British Trade Development Office in New York and the British Overseas Trade Board.

Buyers from as far north as Boston, Massachusetts and as far south as Richmond, Virginia, came to view the distinctive merchandise. Wedgwood, Royal Doulton, Spode, Stuart Crystal, and Royal Worcester all displayed their celebrated china, crystalware and figurines. Etchmaster Ltd., Joannason Reproductions Ltd. and Tyneside Printers featured a variety of copper and brass engravings depicting such revolutionary scenes as Washington crossing the Delaware and maps of Yorktown. On show were pewter figures of Revolutionary War soldiers by courtesy of N. Saunders Ltd., and bronze sculptures depicting early American life designed and produced by Brookbrae Ltd. Peggy Nisbet's display featured her full line of elegantly costumed character dolls such as George III and Martha Washington. Representatives from Boston were amused to see the exhibit of Davison, Newman and Co. Ltd. of London represented, as it was their ancestors who threw that company's tea (now bearing the brand name 'Boston Harbour'), overboard in 1774.



The Wedgwood stand in the Bicentennial display at the British Embassy, Washington.

In the evening, a well attended reception was held in the Rotunda, hosted by Hugh Cortazzi, Minister (Commercial). Presidents of some of the larger retail groups came to view the merchandise and discuss with the representatives how British products might appropriately fit into their Bicentennial marketing strategies.

The display was judged a great success by all concerned. The manufacturers and their US representatives were highly satisfied with the extent of the interest expressed in the Bicentennial products by the American buyers and much serious business was done or initiated. The American buyers were equally grateful for the opportunity to see in a short space of time such a varied collection of high quality products designed around the Bicentennial theme.

The reaction on all sides provides firm belief that Britain while joining with the United States in celebrating its 200th Anniversary as an independent nation, and paying tribute to the world role America has since the Declaration of Independence until the present day, can continue to play a part in its commercial and cultural life. British products were to be found in every 'Colonial' home in 1776 – the Rotunda display was a first step towards achieving a similar position 200 years later.

Mountaineering gear displayed in Tokyo

From J. W. MacDonald, First Secretary (Commercial), British Embassy, Tokyo: Seventeen fims participated at the Tokyo British Export Marketing Centre show, 17-21 June. The accent was on golfing equipment and accessories, understandable in the golf-crazy country of Japan, where the sport is the biggest in terms of monetary value (an estimated Y118 billion per annum). The opportunity was also taken to display the specialised camping, mountaineering and sports equipment for which Britain is famous.

There are signs now in Japan of a resumption in the upward curve of the leisure market, at about the same anticipated rate as the economy as a whole. A survey recently conducted by the Leisure Development Centre of Japan, a semi-governmental research organisation, estimated that the market for goods and services in the leisure industry will amount to Y72,208 billion in 1985, about five times the amount spent on leisure activities in 1973. The Japanese equate 'leisure' to pure and simple enjoyment, encompassing creative and educational activities, but significant niches in the market are occupied by games and sports.

The market for British sports and camping goods has good potential, and participants at the exhibition, attended by 950 people, received a large number of inquiries. A sustained publicity campaign was aimed at the trade, rather than the casual passer-by, and the inquiries therefore came mainly from potential large-scale purchasers.

Especially interesting was the number of inquiries about the specialised mountaineering, back-packing and camping equipment. Innovations to Japan were the bar-billiards table shown by Grays of Cambridge, already well known here for their squash equipment, and the indoor putting game displayed by Stant Leisure Products, a newcomer to the market. Of good publicity value, too, was the fact that the Japanese women's team of climbers, a member of which recently conquered Mt Everest, used equipment provided by the local agent for Karrimor Weathertite Products.

Textile machinery for Moscow exhibition

The British Overseas Trade Board, in association with the British Textile Machinery Organisation, is prepared to consider mounting a British group at the Moscow Exhibition of Equipment and Technological Processes in Light Industry (Inlegmash '76), if there is sufficient support from UK industry.

The theme of the exhibition, which is due to take place from 25 May-8 June 1976, will centre on textile machinery and it will be one of two major international exhibitions in the 1976 USSR programme. Good commercial prospects for British industry are considered likely, particularly in view of the fact that light industry is a sector which is likely to figure prominently in the economic and industrial co-operation programme now under negotiation.

Interested companies should contact the British Textile Organisation, 447/451 The Royal Exchange, Manchester M2 7EP.

Brisk business at sixteenth International Fair of Lisbon

General Fontes Pereira de Melo (centre) visits the UK joint venture stand at the XVI International Fair of Lisbon on opening day. He was accompanied by (left) Peter Smith of the Birmingham Engineering and Building Centre Ltd. and by George Gullan, First Secretary (Commercial) of the British Embassy.

From Mrs. Jane H. Fernandes, Commercial Officer, British Embassy, Lisbon: The XVI International Fair of Lisbon (FIL) was opened on 11 June by General Fontes Pereira de Melo on behalf of the President of Portugal and of the Revolutionary Council. He was accompanied by high-ranking Government officials and by the Workers' Committee who had taken over management of FIL three weeks before the opening date.

This year's annual trade fair was on an international scale. Trade and information stands of 17 countries vied for the attention of an estimated 200,000 visitors.

For the seventh consecutive year British participation was sponsored and organised by the Fairs and Promotions Branch of the Department of Trade, in conjunction with the Birmingham Engineering and Building Centre Ltd. Against a cool white and green background the 14 exhibiting manufacturers grouped around the British Trade information stand provided an eyecatching display of British goods.

Eight of the exhibitors showed consumer durables. They were Ekco Heating and Appliances Division/Pye Ltd., Judge International Housewares Ltd., the Kaymet Company, Rank Radio International encompassing Leak, Rank Arena and Wharfedale, Rola Celestion Ltd., and Thorn. Despite the high surcharge applicable to non-essential goods imported into Portugal, which came into effect at the beginning of June and which is to apply until 31 December of this year, interest ran high and we understand some exhibitors booked substantial orders.

Brisk business was also reported by companies displaying industry-oriented goods. They were Apollo Sprayers Ltd., Columbus Dixon, the Consolidated Pneumatic Tool Co. Ltd., Firth Brown Tools Ltd., Lister Diesels, and Permanite Ltd. According to Firth Brown, whose sales to Portugal have doubled annually in the last three years largely as a result of exhibiting at FIL, most of the inquiries this year came 'straight from the shop floor'. Interest in the equipment displayed by Apollo Sprayers Ltd. was such that the firm, the only newcomer to the Portuguese market this year, was able to appoint an agent shortly after opening day.

A British Day was organised on 20 June by the British Embassy. The British Council supplied music for broadcasting throughout the FIL and films on Britain and British industry were shown during the evening. The Royal British Club provided traditional fare for the FIL restaurant and a British Airways' hostess added glamour to the occasion.

In the late afternoon the Ambassador, Mr. Nigel Trench, gave a reception on the joint venture stand. Addressing his guests, the Ambassador stressed that since 1964 our mutual trade had grown six-fold, with Portugal buying from the United Kingdom some £175 million worth of goods in 1974 and selling to us the equivalent of £217 million. The UK supplies a significant proportion of Portugal's requirements of machinery, transport equipment, manufactured articles, chemicals and raw materials, and in return, takes more of Portugal's exports than any other trading partner.

Scottish bagpipers play in Japan

From Rex Farrar, First Secretary (Commercial), British Embassy, Tokyo: To mark the visit of the Queen and the Duke of Edinburgh to Japan last month 18 leading Japanese department stores held special promotions of British goods, or British Fairs as they are called here, at 62 branch stores in all parts of Japan. The merchandise was bought either direct from Britain or through local distributors and wholesalers. Apart from merchandise displays department stores organised special features with British themes – many on a lavish scale.

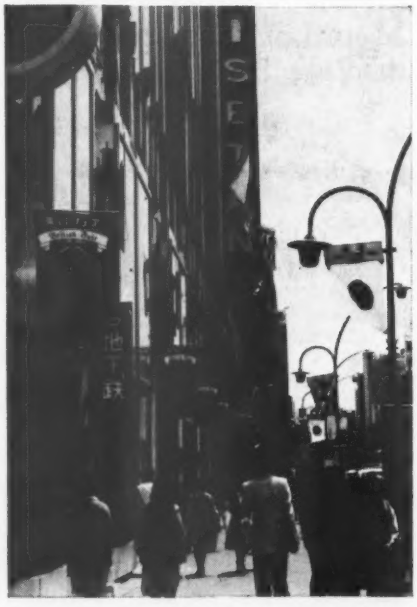
Attractions included cultural and historical exhibitions, art and photographic displays and the First Gordon Highlanders band (including bagpipers). The British Overseas Trade Board together with the Embassy and Consulate-General at Osaka gave full support to these ventures.

Buying from Britain amounted to £4½ million, representing a threefold increase over the buying for the 1969 British Week. At least another £15 million worth of business was generated through purchases from local importers/distributors.

One result of the May promotions is that department stores are now planning to send buyers to Britain twice yearly on a regular basis to see what is available, whether or not they are planning a special British promotion.

Department store buying teams toured Britain last autumn and this spring in preparation for the May event. They were helped by advance information on available merchandise obtained through the Export Intelligence Service computer network and Department of Trade Regional Offices. The net result was the purchase of many new items as well as goods already in great demand in Japan.

The May promotions gave a tremendous boost to British consumer goods in Japan, not only with the actual sales and displays but also through the extensive advertising, financed by the department stores. For a company whose product has not yet been introduced in Japan, department store promotions offer a first class opportunity for useful business with visiting department store buyers, either direct or through the London buying houses representing the department store in question. Apart from the assistance offered to exporters by the British Overseas Trade Board it is worth noting that their Exports to Japan Unit is organising a special seminar in London on selling consumer goods to Japan, on 14 October 1975 (details from the Unit, tel. 01-248 5757, ext. 7162).



A Japanese department store during its 'British Fair'.

European Community

The Community and a more sensibly organised trading world

A personal memoir of Brussels 1972–1975 by W. Nicoll, who was a member of the British Delegation to the European Communities from February 1972 – nine months before the formal enlargement of the Communities – up to March this year. Seconded from the then Department of Trade and Industry, he was concerned with the EEC's commercial relations with third countries. The opinions expressed are the writer's own.

The four events which were for me the milestones of my period in Brussels did not spell out early or material economic advantages for this country. They were concerned with securing the progressive and longer-term improvement of the conditions of world trade.

First event, Spring and Summer 1972

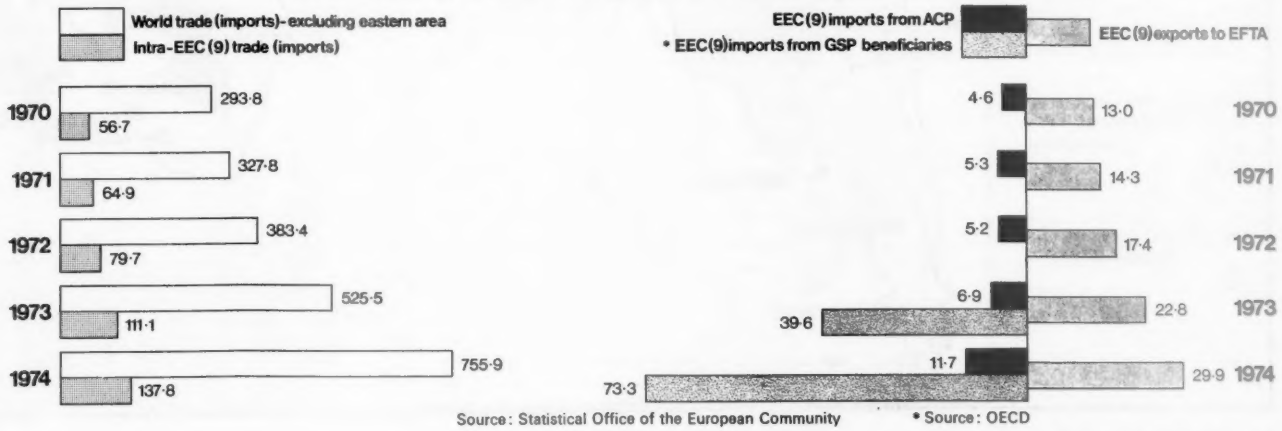
The date 22 July 1972 saw the culmination of the months of negotiations to re-draw the commercial map of Europe. For almost 20 years debate had waxed and waned, ink had been spilt, and attempts had been made to build bridges to bring together into a sensible trading relationship those countries in Europe which wanted to go beyond free trade and those who, for their own reasons, could not go further. The entry of Britain into the European Community was the key-stone for the first secure bridge.

The negotiations with what were called the 'non-acceding countries' – Sweden, Finland, Iceland, Austria, Switzerland and Portugal – proceeded briskly in the spring of 1972 under the immensely experienced and professional leadership of the Community's negotiators, members of the staff of the Commission. The 'acceding' countries, four in number because Norway was still there, received their indoctrination into the working methods of the Community. The result was, on paper, the creation of a series of free trade arrangements between the enlarged Community and the individual members of the residual European Free Trade Association.

But it makes more sense, however unorthodox it may be, to see in these negotiations the creation of a wider European free trade area, pivoting on earlier British membership of the European Free Trade Association (EFTA) and future British membership of the Community. This left a few missing pieces but most of them are by now in place – or at least the players know where they go. Norway changed course in 1972 but after some tough and tense negotiations found its place in the new European map in 1973.

Also in 1973 we and the other Member States of the Community entered into the evolving free trade arrangements between the Six and Turkey. Cyprus and Malta, on their way to free trade with the Six, also fell into place. Greece was delayed until the Colonels' rule was ended and it was not until April this year that Britain and the other new members

World and ECC trade development – 1970-1974 ($000m)



Source: Statistical Office of the European Community

• Source: OECD

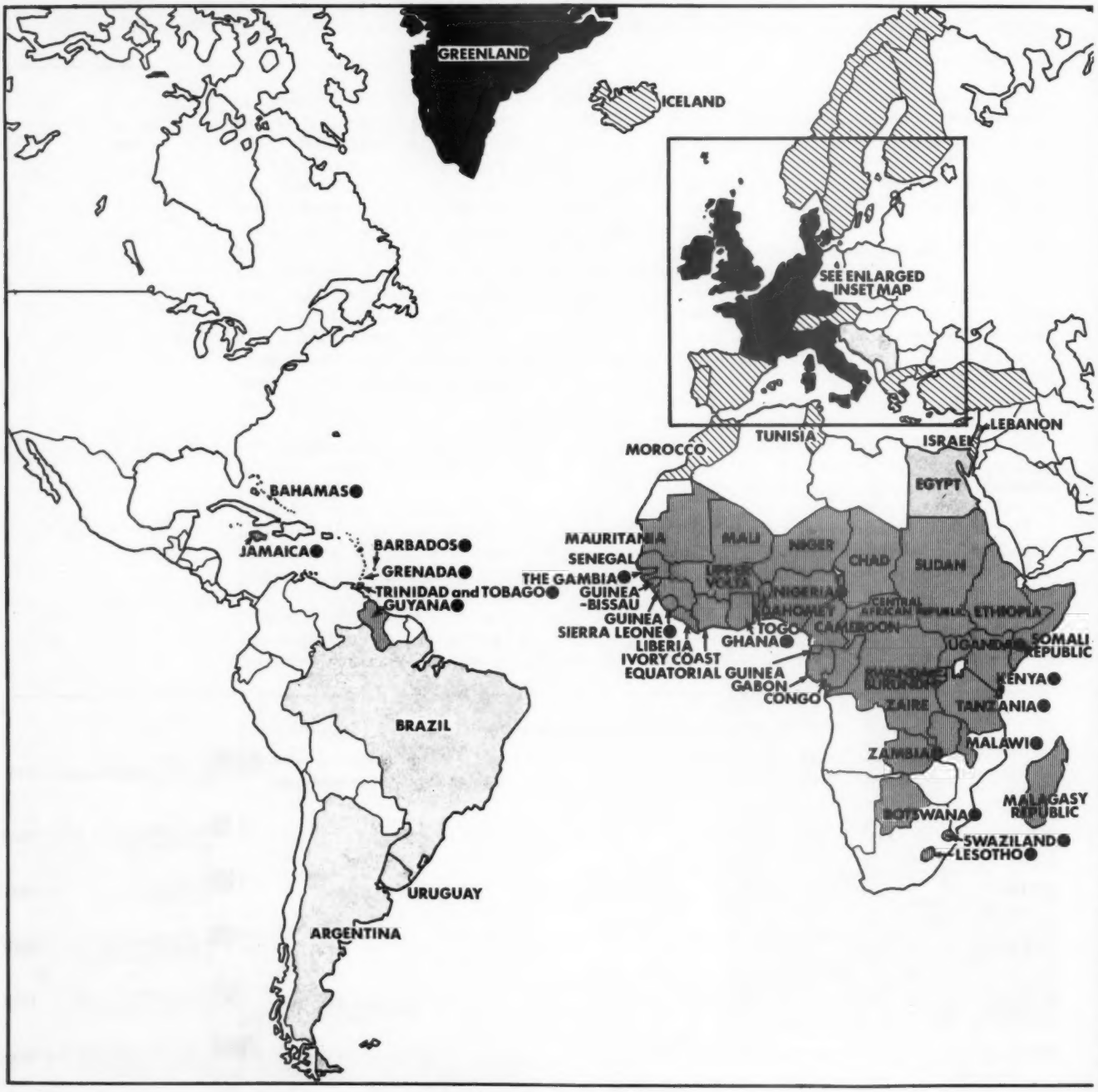
The Community and a more sensibly organised trading world *cont.*

began to join the free trade arrangement which exists between the Six and Greece. With Spain, the Six had a trading arrangement which as it stood was far from suitable to apply to the distinctive structure of Anglo-Spanish trade and negotiations for a better long-term arrangement are under way, though afflicted by fits and starts – and stops.

The essentials of free trade in this Commoner Market will be achieved in July 1977, perhaps fittingly at the close of the period in which Britain will be in charge of the Community's affairs as the 'Presidency' country, and will occupy the chair in Council meetings. It will be the biggest commitment to free trade in industrial products that any group of nations has ever before undertaken. And free trade, although it can be regarded as a form of tariff-cutting, is qualitatively much more than that. It is the fulfilment of the trading interdependence which is a fact of life of all industrialised countries.

Second event, Summer of 1973 and again in the early months of 1975

The original Community, jointly with the United States, and in the aftermath of President Nixon's drastic measures in the summer of 1971, had conceived a plan for a further round of tariff and trade negotiations at world level. The enlarged Community could see that it had to maintain the momentum and that without a strong Community lead the legislative process in the United States would not produce the authority which the Administration needs for trade treaty negotiation.



By the summer of 1973 the Community of Nine had laid their foundation in a Statement of Principles which opened up the prospect for the meeting of Ministers in Tokyo to inaugurate the forthcoming negotiations. This was a good first step, but only a first step. It left the Community with the task of settling bilateral issues outstanding with the United States and others; and the US Administration with the job of piloting through the Trade Act to give it credibility as a negotiator. Once again the world held its breath as Congress deliberated and succeeded by the end of last year, and then after a cliff hanger, in coming up with the legislation required. This then enabled the Community to amplify its negotiating position in the early weeks of this year.

There was however a deeper significance in the launching of the Tokyo Round. Compare the climate of 1973/74 with the climate of 1970/71. It was in these pages that my colleagues and I, in 1971, took what the newspaper world described as the unusual step of dissecting the Trade Bill which was then going through the US Congress, the so-called 'Mills Bill' from the name of its author – who later acquired a different form of notoriety. It looked at that time as if trade protectionism was about to become rampant; and it was a time when the air was thick with challenge and accusation tossed to and fro across the Atlantic. Almost miraculously the trading world not only got over these alarums and excursions but also, without massive resort to economic isolationism, absorbed the trauma of the after-effects of the Yom Kippur war.

The European Community and its world-wide trading links

EEC Member States

Free Trade and Associated Agreements

Austria
Cyprus
Finland
Greece
Iceland
Israel
Malta
Morocco
Norway
Portugal
Spain
Sweden
Switzerland
Tunisia
Turkey

Trade and Aid Agreements under the Lomé Convention

Bahamas
Barbados
Botswana
Burundi
Cameroon
Central African Republic
Chad
Congo
Dahomey
Equatorial Guinea
Ethiopia
Fiji
Gabon
The Gambia
Ghana
Grenada
Guinea
Guinea-Bissau
Guyana
Ivory Coast
Jamaica
Kenya
Lesotho
Liberia
Malagasy Republic
Malawi
Mali
Mauritania
Mauritius
Niger
Nigeria
Rwanda
Senegal
Sierra Leone
Somali Republic
Sudan
Swaziland
Tanzania
Togo
Tonga
Trinidad and Tobago
Uganda
Upper Volta
Western Samoa
Zaire
Zambia

Other Trade Agreements

Argentina
Bangladesh
Brazil
Egypt
India
Indonesia
Lebanon
Pakistan
The Philippines
Sri Lanka
Thailand
Uruguay
Yugoslavia

New Zealand: special arrangements for dairy products

Members of the British Commonwealth

The Community and a more sensibly organised trading world *cont.*

Few futurologists would have given you much money for it in 1970 if you had predicted to them what was to happen from the Autumn of 1973 and invited them to gaze into the seeds of time. And few historians will be able to doubt that the key stabilising factor was the enlarged Community and its own resolve to stay on the course set towards trade liberalisation, with only the odd deviation.

Third event, Winter 1973 and Winter 1974

The original Community had led the way towards giving poorer countries improved opportunities to earn income through the Generalised Preference Scheme, a facility which the world's next biggest trader, the United States, is only now just about ready to emulate. But two of the enlarged Community's new members, Britain and Denmark, had gone further than the original Community felt able to go in opening up their markets to imports from countries in crying need of this relief. For Britain, therefore, it was hard pounding, but not without help from inside the original Community, to obtain a really significant improvement in its sense not only of generosity, but also of responsibility towards the outside world.

To those who have seen man's inhumanity to man in the bustees of Calcutta or the favella of Rio de Janeiro, the importance of the task transcended the triviality of some of its gritty details. The Community's scheme is annual and is worked out each autumn. In 1973 we made a dent; and in the 1974 review we broke through and, in a world which had been made by the force of events ever more conscious of the disparities between haves and have-nots, laid the basis for a further contribution from the Community in future years. It is no disrespect to the other Member States to say that the British influence was paramount. It was in the enlargement negotiations that the Community solemnly declared its intent to enhance trade opportunities for Asian Commonwealth countries. The later, and continuing task, was to translate intent into deed.

Fourth event, 1973 to Spring 1975

Of this event, the negotiation of the Lomé Convention, another landmark in the development of the enlarged Community, I was an admiring spectator rather than a first hand participant. In simple terms the Community placed a share of its growth, despite all its burdens, at the disposal of 46 countries in Africa, the Caribbean and the Pacific (ACP). It did so by dismantling or scaling down trade barriers, without asking for counterpart, by establishing an aid programme and by instituting a scheme to stabilise export earnings. The outcome owed much to the cohesion which the ACP countries forged among themselves and the skill of their negotiators.

But this said, Lomé also stands as one of the Communities' great political and economic achievements. It has fallen twice to Jamaica's capital, Kingston, to accommodate conferences which mark turning points. The Community's affair was in the Summer of 1974, which broke the back of the ACP negotiations. With that behind it Britain opened up a new horizon for relations with poorer countries in its contribution to the Commonwealth Conference at Kingston this year.

And so the three year report is of four big events, fixing a more generous Community in a more sensibly organised trading world – but with tasks old and new still undone and demanding renewed effort.

British Labour Statistics: Historical Abstracts 1886–1968

This unique standard work of reference brings together all the main series of official statistics compiled by the Department of Employment and its predecessers since 1886, plus some for even earlier years. It contains 389 pages of tables and 50 pages of text and the subjects covered are wage rates, earnings, hours of work, retail prices, employment, unemployment, vacancies, family expenditure, industrial accidents, and disputes, membership of trade unions, labour costs and output per head. This will be a most valuable source-book for everyone concerned with the study and formulation of economic policies. £7 (by post £7.30)

Also available

British Labour Statistics: Year book 1972 £9 (by post £9.30)

Government publications can be bought from the Government Bookshops in London (post orders to PO Box 569, SE1 9NH). Edinburgh, Cardiff, Belfast, Manchester, Birmingham and Bristol, or through booksellers

HMSO BOOKS

Eliminating technical barriers to trade within the EEC

Article 100: check-list of draft and adopted Directives in the industrial sector

Below we print the usual quarterly revision of our check-list showing the Directives proposed, approved or adopted under Article 100 of the Treaty of Rome. The last list was published in *Trade and Industry* of 11 April 1975. A background article on elimination of technical barriers to trade appeared in the August 1974 issue of the *European Community Commentary*.

A word on terminology. A preliminary draft is really nothing more than a working document for Commission Working Groups, and may appear in any number of revisions. A Commission proposal is the final version of the draft as submitted by the Commission to the Council of Ministers. It too may undergo revision as a result of representations by Member States at Council meetings and may even be remitted to the Commission for further elaboration. A Directive does not have direct internal effect, but creates obligations on the Governments of the Member States to ensure that its requirements are strictly and fully implemented, where necessary by national legisation. Once adopted, Council Directives may be adapted to technical progress by Directives issued either by the Commission or, if necessary, by the Council on a proposal from the Commission.

The texts of adopted Directives are published in the 'L' (Legislation) series of the EEC *Official Journal*, and the texts of Commission proposals in the 'C' (Information and Notices) series. Preliminary drafts and Council revisions of Commission proposals are not published. In the list below, the dates of issue of the *Official Journal* containing texts of adopted and proposed Directives are given where they are known. The Journal has appeared in English only since 1 January 1973, but the English texts of adopted Directives published before then (together with all other pre-accession Community legislation) were issued in a series of Special Editions of the *Official Journal* in December 1972. Asterisks indicate where changes in the status of documents have occurred during the past quarter.

The *Official Journal* is published by HM Stationery Office.

Subject	Reference of Directive or latest draft received	Status (where applicable)
Motor vehicles		
Type approval	70/156/EEC of 6.2.70	Directive (OJ 23.2.70)
Rear registration plates	70/222/EEC of 20.3.70	Directive (OJ 6.4.70)
Noise levels, silencers	70/157/EEC of 6.2.70	Directive (OJ 23.2.70)
	Adapted to technical progress by 73/350/EEC of 7.11.73	Commission Directive (OJ 22.11.73)
	COM(74)1175 FINAL	Commission amending proposal
*Fuel tanks and rear protective devices	70/221/EEC of 20.3.70	Directive (OJ 6.4.70)
	XI/249/75	Preliminary draft for adaption to technical progress
Audible warning devices	70/388/EEC of 27.7.70	Directive (OJ 10.8.70)
Atmospheric pollution by motor vehicles with positive ignition (spark ignition) engines	70/220/EEC of 20.3.70	Directive (OJ 6.4.70)
	Adapted to technical progress by 74/290/EEC of 28.5.74	Directive (OJ 15.6.74)
Steering equipment	70/311/EEC of 8.6.70	Directive (OJ 18.6.70)
Access (doors, running boards)	70/387/EEC of 27.7.70	Directive (OJ 10.8.70)
Suppression of radio interference	72/245/EEC of 20.6.72	Directive (OJ 6.7.72)
Installation of lighting and light signalling equipment	COM(73)2024 FINAL	Commission proposal
Windscreen washers	COM(68)633 FINAL	Commission proposal withdrawn. Further work in hand
Field of vision and windscreen wipers	COM(68)633 FINAL	Commission proposal withdrawn. Further work in hand
Rear-view mirrors	71/127/EEC of 1.3.71	Directive (OJ 22.3.71)
Electrical connections between vehicles and their trailers	COM(68)633 FINAL	Commission proposal withdrawn. Further work in hand
Speedometers	COM(74)1228 FINAL	Commission proposal (OJ 11.10.74) (Directive approved but not yet formally adopted)
Electrical circuits	Work not started	
Maximum speed (method determination)	Work not started	
*Braking devices	71/320/EEC of 26.7.71	Directive (OJ 6.9.71)
	Adapted to technical progress by 74/132/EEC of 11.2.74	Commission directive (OJ 19.3.74)
	XI/370/74 Rev. 4	Preliminary draft for further adaptation
Safety glass	COM(72)981 FINAL	Commission proposal (OJ 16.11.72)
Interior fittings (interior part of the passenger compartment other than interior rear-view mirrors, layout of controls, roof or sliding roof, backrest and rear part of seats	74/60/EEC of 17.12.73	Directive (OJ 11.2.74)
Tyres	XI/591/73 Rev. 2 XI/119/74	Preliminary drafts
Mechanical coupling equipment between vehicles and trailers	Work started but no papers yet available	
Anchor points for safety belts	COM(74)1121 FINAL	Commission proposal (OJ 21.11.74)
Atmospheric pollution by motor vehicles with diesel fuelled (compression ignition) engines	72/306/EEC of 2.8.72	Directive (OJ 20.8.72)
External projections	74/483/EEC of 17.9.74	Directive (OJ 2.10.74)
Head rests	COM(74)2180 FINAL	Commission proposals (OJ 14.4.75)
Anti-theft devices	74/61/EEC of 17.12.73	Directive (OJ 11.2.74)
Strength of seats and their anchorages	74/408/EEC of 22.7.74	Directive (OJ 12.8.74)
Behaviour of the steering mechanism in case of impact	74/297/EEC of 4.6.74	Directive (OJ 20.6.74)
Safety belts	COM(74)2180 FINAL	Commission proposal (OJ 14.4.75)
Location and attachment of statutory plates and inscriptions	COM(74)1231 FINAL	Commission proposal
Reverse gear	COM(74)1228 FINAL	Commission proposal (OJ 11.10.74) (Directive approved but not yet formally adopted)
De-icing	Work started but no papers yet available	
Interior fittings – identification of controls	Work not started	
Interior fittings – seats (other than strength of seats and anchorages)	Work not started	
Special provisions for public service vehicles	Work started but no papers yet available	
Special provisions for taxis	Work not started	

Subject	Reference of Directive or latest draft received	Status (where applicable)
Special provisions for goods vehicles	Work started but no papers yet available	
Towing hooks	COM(74)2172 FINAL	Commission proposal (OJ 1.2.75)
Trailer legs	XI/508/73 Rev. 1	Preliminary draft
Reflex reflecting devices	COM(73)2124 FINAL	Commission proposal (OJ 28.3.74)
Fog lights	COM(73)2123 FINAL	Commission proposal (OJ 28.3.74)
Rear registration plate lights	COM(74)2053 FINAL	Commission proposal (OJ 14.4.75)
Side lights, rear lights and stop lights	COM(74)2046 FINAL	Commission proposal (OJ 14.4.75)
Headlights	COM(74)2054 FINAL	Commission proposal (OJ 16.6.75)
Tractors and agricultural machinery		
Type approval	74/150/EEC of 4.3.74	Directive (OJ 28.3.74)
Maximum speed and loading platforms	74/152/EEC of 4.3.74	Directive (OJ 28.3.74)
Sundry characteristics (total permissable laden weight; location of registration plates; fuel tanks; audible warning devices; noise levels and silencers; ballast weights)	74/151/EEC of 4.3.74	Directive (OJ 28.3.74)
Shielding of engines parts and projecting parts	XI/48/74	Preliminary draft following reconsideration of COM(68)565 FINAL
Towable load	COM(68)565 FINAL	Commission proposal referred back for further consideration
Rear-view mirrors	74/346/EEC of 25.6.74	Directive (OJ 15.7.74)
Lighting and light signalling devices	COM(74)895 FINAL	Commission proposal (OJ 13.9.74)
*Steering equipment	75/321/EEC of 20.5.75	Directive (OJ 9.6.75)
*Electrical connection for supplying trailer lighting and light signalling equipment	75/322/EEC of 20.5.75	Directive (OJ 9.6.75)
*Suppression of radio interference	75/323/EEC of 20.5.75	Directive (OJ 9.6.75)
Driver's seat	XI/49/74	Preliminary draft
Passenger seat	XI/402/73 Rev. 1	Preliminary draft
Coupling between tractor and trailer	COM(68)565 FINAL	Commission proposal referred back for further consideration
Braking devices	COM(74)895 FINAL	Commission proposal (OJ 13.9.74)
Safety glass	XI/299/74	Preliminary draft
Atmospheric pollution	XI/623/74	Preliminary draft
Tyres	Work not yet started	
Power take-off	Work started but no papers yet available	
Field of vision (including windscreen wipers)	74/347/EEC of 25.6.74	Directive (OJ 15.7.74)
Location and attachment of statutory plates and inscriptions	Work started but no papers yet available	
Length, width and unladen height	Work started but no papers yet available	
Maximum authorised weight on each axle and distribution of weight between axles	Work started but no papers yet available	
Maximum vertical load at coupling point	XI/509/73	Preliminary draft
Speed governor	Work started but no papers yet available	
Reverse gear	Work started but no papers yet available	
Rollover protective structures	COM(74)2197 FINAL	Commission proposal (OJ 16.6.75)
Other means of protection against the weather	Work started but no papers yet available	
Location of controls	XI/44/74	Preliminary draft
Coupling hooks (front coupling devices)	Work started but no papers yet available	
Noise level at the driver's ear	COM(74)316 FINAL	Commission proposal (OJ 18.5.74)
Metrological		
General directive	71/316/EEC of 26.7.71 72/427/EEC of 19.12.72	Directive (OJ 6.9.71) Amending directive (OJ 28.12.72)
Clinical thermometers	COM(66)124 FINAL	Commission proposal
Medium accuracy weights	71/317/EEC of 26.7.71	Directive (OJ 6.9.71)
Measurement of the standard mass per storage volume of grain	71/347/EEC of 12.10.71	Directive (OJ 25.10.71)
Calibration of ships' tanks	71/349/EEC of 12.10.71	Directive (OJ 25.10.71)
Measure of length	73/362/EEC of 19.11.73	Directive (OJ 5.12.73)
Non-automatic weighing machines	73/360/EEC of 19.11.73	Directive (OJ 5.12.73)
Electricity meters	COM(73)276 FINAL COM(73)276 Rev. 1	Commission proposal (OJ 26.10.73) Subsequent revision
Meters for liquids other than water	71/319/EEC of 26.7.71	Directive (OJ 6.9.71)
Meters for liquids other than water – measuring systems	XI/81/74	Preliminary draft
Meters for liquids other than water – ancillary equipment	71/348/EEC of 12.10.71	Directive (OJ 25.10.71)
Gas volume meters	71/318/EEC of 26.7.71 Adapted to technical progress by 74/331/EEC of 12.6.74	Directive (OJ 6.9.71) Commission directive (OJ 12.7.74)
Making-up by volume of certain prepackaged liquids	75/106/EEC of 19.12.74	Directive (OJ 15.2.75)
Bottles used as measuring containers	75/107/EEC of 19.12.74	Directive (OJ 15.2.75)
Cold water meters	74/33/EEC of 17.12.74	Directive (OJ 20.1.75)
Hot water meters	Work not yet started	
Heat meters	Work not yet started	
Road and rail tanks used as measuring containers	COM(74)877 FINAL	Commission proposal (OJ 13.9.74)
Taximeters	XI/85/74 Rev. 1	Preliminary draft
Alcoholometers and hydrometers for alcohol Alcoholometric tables	COM(74)1871 FINAL	Commission proposal (OJ 16.1.74)
Saccharimeters	Work started but no papers yet available	
Belt weighers	COM(73)597 FINAL	Commission proposal (26.10.73) (Directive approved but not yet formerly adopted)
Instruments for determining the fat content of dairy produce	Work started but no papers yet available	
Manometers	III/1919/72	Preliminary draft in abeyance. Further work in hand
Apparatus for measuring arterial pressure	Work started but no papers yet available	
Fine accuracy weights	74/148/EEC of 4.3.74	Directive (OJ 28.3.74)
Instruments for measuring moisture content of grain	XI/86/74	Preliminary draft
Electronic devices fitted to measuring instruments	XI/578/74	Preliminary draft
Units of measurement	71/354/EEC of 18.10.71	Directive (OJ 29.10.71)
Automatic checkweighers	IIII/1918/72	Preliminary draft
Making-up by weight or by volume of certain prepackaged products	COM(73)1731 FINAL	Commission proposal
Differential pressure gasometers	Work not yet started	
Standardisation of prepackages	XI/373/74	Preliminary draft
Fees and charges for testing gas meters	COM(74)776 FINAL	Commission proposal (OJ 1.7.74)
Instruments for measuring pollution of air	Work not yet started	
Electrical		
Electrical equipment designed for use between certain voltage limits	73/23/EEC of 19.2.73	Directive (OJ 26.3.73)
Electro-medical equipment Electro-radiological equipment	COM(74)2178 FINAL	Commission proposal (OJ 12.2.75)
Electrical equipment for use in explosive atmospheres	COM(70)1138 FINAL	Commission proposal (Subsequently revised)
Suppression of radio interference from domestic equipment, portable tools and similar equipment	COM(72)853 FINAL	Commission proposal (Not yet published)
Suppression of radio interference from fluorescent lamps	COM(72)853 FINAL	Commission proposal (Not yet published)
Suppression of radio interference from radio and television sets	COM(73)569 FINAL	Commission proposal (OJ 26.10.73)
Suppression of radio interference from industrial, scientific and medical equipment	COM(74)1181 FINAL	Commission proposal
Plugs and sockets	Unreferenced revision of XI/104/74	Preliminary draft
Textiles		
Textile names	71/307/EEC of 26.7.71 75/36/EEC of 17.12.74	Directive (OJ 16.8.71) Directive supplementing 71/307/EEC (OJ 20.1.75)
Textiles (binary mixtures)	72/276/EEC of 17.7.72	Directive (OJ 31.7.72)
Textiles (ternary mixtures)	73/44/EEC of 26.2.73	Directive (OJ 30.3.73)
Quantitative analysis of mixtures of fibres of the same chemical nature	Work started but no papers yet available	
Elimination of foreign matter	Work started but no papers yet available	
Pressure vessels		
General directive	COM(72)1689 FINAL	Commission proposal (Not yet published)
Seamless steel gas cylinders	COM(72)1689 FINAL	Commission proposal (Not yet published)
*Aerosols	75/324/EEC	Directive (OJ 9.6.75)
Seamless aluminium gas cylinders	COM(74)966 FINAL	Commission proposal
Welded steel gas cylinders	COM(74)965 FINAL	Commission proposal
Unfired welded steel simple pressure vessels	XI/657/74	Preliminary draft
Shell boilers	Work not yet started	

Subject	Reference of Directive or latest draft received	Status (where applicable)
Dangerous substances and preparations		
General (classification, packaging and labelling	67/548/EEC of 27.6.67 73/146/EEC of 21.5.73 COM(73)1140 FINAL COM(74)1152 FINAL	Directive (OJ 16.8.67) Amending directive (OJ 25.6.73) Commission amending proposal (OJ 31.10.73) Commission amending proposal (Not yet published)
Pesticides	COM(74)2193 FINAL	Commission proposal
Approval and marketing of pesticides	15.175/VI/69	Preliminary draft
Explosives	13269/III/70	Preliminary draft
Solvents	73/173/EEC of 4.6.73	Directive (OJ 11.7.73)
Paints, varnishes, printing inks, glues, etc.	XI/248/73 Rev. 1	Preliminary draft
Household products	III/425/72	Preliminary draft
Corrosives	Work started but no papers yet available	
Detergents	73/404/EEC of 22.11.73	Directive (OJ 17.12.73)
Anionic surface agents	73/405/EEC of 22.11.73	Directive (OJ 17.12.73)
Non-ionic surface agents	Work started but no papers yet available	
Detergents – toxicity	Work in abeyance	
Dangerous substances (PCBs) – limitations on sale and use	COM(74)1189 FINAL COM(75)186 FINAL	Commission proposal (OJ 17.10.74) Commission amending proposal
Lifts and lifting apparatus		
Wire ropes, chains and hooks	73/361/EEC of 19.11.73	Directive (OJ 5.12.73)
Lifts and lifting apparatus General Directive	XI/179/74 Rev. 1	Preliminary draft
Cranes (See also 19/1A and 19/3)	Work started but no papers yet available	
Builders' hoists	Work started but no papers yet available	
Conveyor-belts	Work started but no papers yet available	
Electric passenger lifts	XI/179/74 Rev. 1	Prelimimary draft
Tools and machine tools		
General Directive	XI/216/74	Preliminary draft
Grinding wheels and grinding machines	XI/217/74	Preliminary draft
Portable grinding machines	XI/270/75	Preliminary draft
Fixed grinding machines	Work started but no papers yet available	
Grinding wheels	Work started but no papers yet available	
Woodworking machines	Work started but no papers yet available	
Crystal glass		
Crystal glass	69/493/EEC of 15.12.69	Directive (OJ 29.12.69)
Oil pipelines		
Oil pipelines (construction)	COM(68)640 FINAL	Work on this proposal suspended in favour of an initial standardisation in CEN
Precious metals		
*Precious metals	XI/455/74 Rev. 1	Preliminary draft
Gas appliances		
General	COM(74)2179 FINAL	Commission proposal (OJ 16.6.75)
Instantaneous water heaters	COM(74)2179 FINAL	Commission proposal (OJ 16.6.75)
Cookers	Work started but no papers yet available	
Central heating boilers	Work started but no papers yet available	
Gas governers	Work started but no papers yet available	
Independent space heaters	Work started but no papers yet available	
Fertilisers		
General	COM(71)1500 FINAL COM(73)1734 FINAL	Commission proposal (OJ 15.3.72) Commission amending proposal (Directive approved but not yet formally adopted)
Sampling and methods of analysis	10.388/III/67 Rev 1	Preliminary draft
Nitrate of ammonia	Work started but no papers yet available	
Gas pipelines		
Gas pipelines (construction)	18.871/III/69	Work on this proposal suspended in favour of initial standardisation in CEN
Fuels		
Lead in petrol	COM(73)2050 FINAL	Commission proposal (OJ 31.1.74)
Sulphur in gas oils	COM(74)158 FINAL	Commission proposal
Sulphur in heavy fuel oils	Unreferenced	Preliminary draft
Rubber and plastics		
Reinforced plastics tanks for carriage of dangerous substances by road	COM(71)1446 FINAL	Commission proposal (OJ 15.3.72)
Construction materials		
Cement	Work started but no papers yet received	
Ceramic tiles	Work started but no papers yet received	
Glass	XI/437/74	Preliminary draft
PVC pipes	Work in abeyance	
Fire resistance	Work started but no papers yet received	
Water supply equipment	Work started but no papers yet received	
Construction equipment		
General Noise: method of measurement	COM(74)2195 FINAL	Commission proposal (OJ 14.4.75)
Site safety	Work started but no papers yet received	
Road traffic	Work started but no papers yet received	
Pneumatic picks and concrete breakers: noise levels	COM(74)2195 FINAL	Commission proposal
*Cranes noise levels	XI/122/75	Preliminary draft
Noise levels for lawn mowers	Work started but no papers yet received	
*Noise levels for current generators for welding	XI/27/75	Preliminary draft
*Noise levels for current generators for power supply	XI/27/75	Preliminary draft
Mopeds		
Type approval	COM(72)1645 FINAL COM(73)1732 FINAL	Commission proposal Commission amending proposal
Engines	Work started but no papers yet received	
Noise	Work started but no papers yet received	
Motor cycles		
Type approval	COM(74)2177 FINAL	Commission proposal (OJ 20.2.75)
Noise	Work started but no papers yet received	
Non-military arms and ammuniction	Work started but no papers yet received	
Firefighting equipment		
Portable fire extinguishers	Work not yet started	
Metal scaffolding	Work not yet started	
Packaging materials	Work not yet started	
Educational materials	Work not yet started	
Equipment using ionising rays	Work started but no papers yet received	
Protective clothing and equipment		
Protective helmets for workers	Work started but no papers yet received	
Protective helmets for motor cyclists	Work started but no papers yet received	
Respiratory protective devices	Work started but no papers yet received	
Safety belts	Work started but no papers yet received	
Eye protectors	Work started but no papers yet received	
Protective footwear	Work started but no papers yet received	
Pleasure boats		
Type approval	XI/203/74	Preliminary draft
Cosmetics		
*Cosmetic products	COM(72)851 FINAL COM(73)1733 FINAL COM(75)147 FINAL	Commission proposal (OJ 23.12.73) Commission proposal Commission amending proposal
Leaching of substances into foodstuffs		
General	COM(74)1168 FINAL	Commission proposal (OJ 11.10.74)

Subject	Reference of Directive or latest draft received	Status (where applicable)
Materials and objects in glass intended to come into contact with foodstuffs	687/VI/73	Preliminary draft
Materials and objects in stainless steel intended to come into contact with foodstuffs	688/VI/73	Preliminary draft
Materials and objects in ceramics intended to come into contact with foodstuffs	COM(74)2173 FINAL	Commission proposa (OJ 27.2.75)
Materials and objects in plastics intended to come into contact with foodstuffs	3003/VI/74	Preliminary draft (OJ 27.2.75)
Toys	XI/288/74	Preliminary draft

Generalised tariff preference scheme (GSP): Restoration of normal duties

Trade and Industry, of 20 February, 14 March, 18 April, 16 May and 13 June gave details of GSP tariff quotas exhausted and GSP ceilings reached up to 23 May. HM Customs have stated that the position on the restoration of normal duties for the month ending 23 June is as follows:

I TARIFF QUOTAS AND SPECIAL CEILINGS

Tariff heading	Description of goods	Customs quota reference*	Date UK quota share exhausted	Community butoir reached: duty to be re-imposed	
				On date	For goods from
ex 41.02B	Bovine cattle leather (including buffalo leather), etc. Other, excluding leather not further prepared than tanned	1545	29.5.75		
42.02A	Travel goods, shopping-bags, handbags, satchels, etc.: Of artificial plastic sheeting	1588	3.4.75	31.5.75	Hong Kong
55.05BII	Cotton yarn, not put for retail sale: Other, other: measuring, per single yarn, per kg: more than 80,000 m. and up to 120,000 m.	3546		10.6.75	India
64.02B	Footwear with outer soles of leather or composition leather, etc.	4258		31.5.75	Pakistan
70.13 (S/C)	Glassware (other than articles falling in heading No. 70.19) of a kind commonly used for table, kitchen, toilet or office purposes, for indoor decoration, or for similar uses	4398		30.5.75	Yugoslavia
85.15AIII	Receivers, whether or not combined with a sound recorder or reproducer				
CIII	Parts of the goods of subheadings A and B: Other	4916		14.6.75	South Korea
97.05 (S/C)	Carnival articles, entertainment articles, etc.	5202		13.6.75	Hong Kong

S/C Denotes Special Ceiling.
* See Customs Tariff Part 11.

II CEILINGS

Tariff heading	Description of goods	Date of restoration of duties: From all sources	Date of restoration of duties: From particular sources (inner ceilings)
25.23	Portland cement, cement fondu, slag cement, etc.		Yugoslavia 2.6.75
29.16AIVa)	Citric acid		Mexico 2.6.75
29.16BIa)	Salicylic acid	1.6.75	

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Tariff heading	Description or goods	Date of restoration of duties: From all sources	Date of restoration of duties: From particular sources (inner ceilings)
41.03BII	Sheep and lambskin leather, except leather falling within heading Nos. 41.06, 41.07 or 41.08: Other, other		India 15.6.75
60.04A	Under garments and other articles knitted or crocheted, not elastic or rubberised: Of cotton		Malaysia 27.5.75 India 15.6.75
70.14AII	Illuminating glassware, etc. –		Yugoslavia 3.6.75
74.07	Articles for electric lighting fittings: Other Tubes and pipes and blanks thereof, of copper; hollow bars of copper		Yugoslavia 22.6.75
76.02	Wrought bars, rods, angles, shapes and sections, of aluminium wire		Yugoslavia 15.6.75
76.03	Wrought plates, sheets and strip, of aluminium		Yugoslavia 27.5.75
82.09	Knives with cutting blades, serrated or not (including pruning knives), other than knives falling within heading No. 82.06		South Korea 6.6.75

Inquiries about current availability of preferences may be made to HM Customs, Central Tariff Quota Registration Unit, King's Beam House, Mark Lane, London EC3R 7HE, tel. 01-626 1515, ext. 2570.

EEC tariff quotas 1975 – exhaustions

HM Customs have stated that the United Kingdom's share of the following EEC tariff quotas for 1975 have been exhausted:

UK tariff heading	Item	HM Customs serial No. (Part 11 of the UK tariff)
38.08A	Rosin, including *brais resineux*	1502
73.02D	Ferro-silico-manganese	4517
ex 77.01AII	Unwrought magnesium containing 99.95 per cent or more by weight of pure magnesium and intended for the nuclear industry	4835

The following United Kingdom tariff quotas for imports of paper and board and printed products from individual EFTA countries and Finland (see *Trade and Industry*, 28 November 1974) have also been exhausted:

UK tariff heading	Country of origin	HM Customs serial No. (Part 11 of the UK tariff)
ex 48.01EIIb)	Finland	2079
48.07B	Sweden	2729
48.07BIc)1	Finland	2605
48.15B	Austria	2796
ex Chapter 48	Austria	2907
ex Chapter 48	Switzerland	3007

Inquiries about current tariff quota balances may be made to HM Customs, Central Tariff Quota Registration Unit, King's Beam House, Mark Lane, London EC3R 7HE, tel. 01-626 1515, ext. 2570. (Previous Notices on other global and EFTA paper and board quotas appeared in *Trade and Industry* of 20 February, 14 March, 18 April, 16 May and 6 June 1975.)

British Gas receive £24 million in EIB loans

The European Investment Bank has granted two loans totalling £24.2 million to the British Gas Corporation. The money will help finance a 425-mile onshore pipeline system for natural gas from the Frigg Field, bringing the gas from the shore terminal in the North of Scotland into the national distribution grid. The loans have been provided for 10 years at an interest rate of 9¼ per cent.

New system

The new pipeline system, which will cost more than £200 million, includes a 36 in. pipeline from St. Fergus to a point at Bathgate, near Glasgow, where it connects up with the existing grid, with extensions to Preston in the North-West of England and a spur branching off near Carlisle to Bishop Auckland in the North-East.

Total finance

With these latest loans, the EIB has provided finance totalling £187.4 million for British projects since this country joined the Community.

Leo Tindemans (left), the Belgian Prime Minister, pictured with Harold Wilson at 10 Downing Street during his official visit to the UK last week. Mr. Tindemans, who also visited Edinburgh and Cardiff, was in Britain from 29 June until 2 July to sound out opinion for a report on European Union which he is due to present the Community Heads of Government in December this year.

New EC Legislation

COMMON AGRICULTURAL POLICY. The texts of the following Regulations and Decision which affect the various agricultural sectors in the EEC have been published in the *Official Journal of the European Communities*.

Cattle, beef and veal. Decision 75/359 determining the minimum rate of levy for the issue during the month of June 1975 of import licences for beef and veal under the 'EXIM' arrangements. (*Official Journal* L159, 21 June 1975)

Regulation (EEC) 1585/75 amending for the second time Regulation (EEC) 1090/75 concerning the 'EXIM' arrangements in respect of beef and veal. (*Official Journal* L162, 25 June 1975)

Seeds. Regulation (EEC) 1571/75 supplementing Regulation (EEC) 964/75 specifying the varieties of Lolium perenne L. to be regarded as 'late', 'medium-late' and 'early' (*Official Journal* L161, 24 June 1975)

Regulation (EEC) 1521/75 fixing for the 1975/76 marketing year the reference prices for hybrid maize for sowing (*Official Journal* L154, 14 June 1975)

Proposed processed agricultural products. Regulation (EEC) 1589/75 amending Regulation (EEC) 1059/69 laying down the trade arrangements applicable to certain goods resulting from the processing of agricultural products. (*Official Journal* L163, 26 June 1975)

Oils, fats and oilseeds. Regulation (EEC) 1520/75 amending Regulation (EEC) 1204/72 laying down detailed rules for the application of the subsidy system for oil seeds. (*Official Journal* L154, 14 June 1975)

Regulation (EEC) 1597/75 fixing the threshold price for olive oil for the 1975/76 marketing year applicable from 27 June 1975 (*Official Journal* L163, 26 June 1975)

Cereals. Regulation (EEC) 1508/75 specifying for the 1975/76 marketing year certain marketing centres for cereals and the derived intervention prices there applicable (*Official Journal* L154, 14 June 1975)

Milk and milk products. Regulation (EEC) 1519/75 laying down detailed rules for the granting of private storage aid for long-keeping cheeses during the 1975/76 milk year (*Official Journal* L154, 14 June 1975)

COMMON COMMERCIAL POLICY. Common rules for imports. The *Official Journal of the European Communities* L157, 19 June 1975 contains the text of Regulation (EEC) 1540/75 extending the common list of liberalised products contained in Annex 1 to Regulation (EEC) 1439/74. This list shall be supplemented by the data appearing in the following Annex to Regulation (EEC) 1540/75:

Description of product CCT heading no.	Liberalisation depending only on origin	Common surveillance	National surveillance
03.01 A I a) III			
09.01			
12.10 B			
27.04 C			
34.04			
45.01			I :45.01
73.14			
88.02 B II b)			F :88.02 B II b)

TEMPORARY SUSPENSION OF IMPORT DUTIES. The *Official Journal of the European Communities* L156, 18 June 1975 contains the text of Regulation (EEC) 1532/75 temporarily suspending the autonomous Common Customs tariff duties on a number of agricultural products as set out below. These suspensions shall be applicable from 1 July 1975 to 14 February 1976 and from 16 June 1976 to 30 June 1976, for the product listed in Table I; from 1 July 1975 to 30 June 1976 for the products listed in Table II; from 1 September 1975 to 31 March 1976 for the product listed in Table III; from

15 October 1975 to 31 December 1975 for the product listed in Table IV.

TABLE I

CCT heading no.	Description of goods	Rate of autonomous duty
ex 03.01 B I m) 2	Mackerel, fresh, chilled or frozen, whole, headless, or in pieces, intended for the processing industry (a)	15%

(a) This suspension is subject to conditions to be determined by the competent authorities.

TABLE II

CCT heading no.	Description of goods	Rate of autonomous duty
03.01 A I b)	Salmon, fresh (live or dead), chilled or frozen	0%
ex 03.01 B I e)	Piked dog-fish (Squalus acanthias), fresh, chilled or frozen, whole, headless or in pieces	0%
ex 03.01 B I g)	Black halibut (Hippoglossus reinhardtius), fresh, chilled or frozen, whole, headless or in pieces	0%
ex 03.01 B I q)	Sardinops sagax, sardinops ocellata (pilchards), fresh, chilled or frozen, whole, headless or in pieces, intended for the processing industry (a)	8%
ex 03.01 B I q)	Sturgeons, fresh, chilled or frozen, whole, headless or in pieces, intended for the processing industry (a)	8%
ex 03.01 C	Roes, fresh, chilled or frozen	0%
ex 03.02 A I c)	Anchovies (Engraulis sp.p.) salted or in brine, whole, headless or in pieces, in barrels or other containers of a net capacity of 10 kg. or more	0%
03.02 A I e)	Salmon, salted or in brine, whole, headless or in pieces	4%
ex 03.02 A I f)	Sprats, salted or in brine, whole, headless or in pieces	0%
ex 03.02 A I f)	Saithe (Gadus virens), salted or in brine, whole, headless or in pieces	7%
ex 03.02 A II d)	Fillets of saithe (Gadus virens), salted or in brine	7%
ex 03.02 C	Fish roe, salted or in brine	0%
ex 03.03 A I	Tails of crawfish, chilled or frozen, shelled or not	10%
ex 03.03 B I b)	Oysters, fresh (living), weighing no more than 12 g. each	0%
ex 03.03 B I b)	Oysters, fresh (living), of the 'Crassostrea gigas' variety, weighing more than 100 g. each	0%
ex 07.03 E	Chantarelles provisionally preserved in brine, in sulphur water or in other preservative solutions, but not specially prepared for immediate consumption	4%
ex 07.05 B I	Beans dried, white of the species Phaseolus vulgaris	0%
ex 08.01 A	Dates, fresh or dried, in immediate packings of a net capacity not exceeding 35 kg., for repacking, under customs or equivalent administrative control, for retail sale (a)	0%
ex 08.01 A	Dates, fresh or dried, intended for processing other than for the production of alcohol (a)	0%
ex 08.01 F	Cashew nuts, shelled	0%
ex 08.09	Rose-hips, fresh	0%
ex 08.10 A	Bilberries, whether or not cooked, preserved by freezing, without added sugar	4%
ex 08.10 B	Cranberries, whether or not cooked, preserved by freezing, without added sugar	0%
ex 08.10 B	Dates, frozen in immediate packings of a net capacity of 5 kg. or more, not intended for the production of alcohol (a)	0%
ex 09.04 B I	Paprika, ground, for use in animal feedingstuffs (a)	0%
09.10 C I	Saffron, neither crushed nor ground	10%
ex 16.04 C II	Spiced and salted herrings, packed in barrels, intended for the processing industry (a)	12%
ex 16.05 A	Crabs of the 'King', 'Hanasaki', 'Kegani' and 'Queen' varieties, simply boiled in water and shelled, whether or not frozen, in packings of a net capacity of 2 kg. or more, intended for the processing industry (a)	0%
ex 16.05 B	Shrimps and prawns other than those of the 'Crangon' variety, boiled in water and shelled, whether or not frozen, intended for the industrial manufacturers of products falling within heading No. 16.05 (a)	10%
23.07 A	Fish or marine mammal solubles	2%

(a) This suspension is subject to conditions to be determined by the competen authorities.

TABLE III

CCT heading no.	Description of goods	Rate of autonomous duty
ex 03.01 B I d)	Sardines (Clupea pilchardus Walbaum), fresh, chilled or frozen, whole, of a length of 20 cm or more.	0%

TABLE IV

CCT heading no.	Description of goods	Rate of autonomous duty
ex 06.04 B I	Natural Christmas trees unfit for replanting and branches of coniferous trees or holly for ornamental purposes	0%

Further information. Department of Trade, Export Services and Promotions Division, Overseas Tariffs and Regulations Branch, Export House, 50 Ludgate Hill, London EC4 7HU, tel 01-248 5757, ext 408/482/7174/439 (duties, taxes, etc. on imports into the EEC other than the United Kingdom); Tariff Division, Kingsgate House, 66–74 Victoria Street, London SW1E 6SJ, tel. 01-215 5519 (imports into the United Kingdom).

CUSTOMS REGULATIONS. The *Official Journal of the European Communities* L151, 12 June 1975 contains the text of Regulation (EEC) 1490/75 amending Regulation (EEC) 1150/70 on the place of introduction within the meaning of Article 6 (2) of Regulation (EEC) 803/68 on the valuation of goods for customs purposes.

Further information. HM Customs and Excise, Valuation Division, Vintry House, Queen Street Place, London EC4 (tel. 01-626 1515 ext. 2770)

The *Official Journal of the European Communities* L156, 18 June 1975 contains the text of Directive 75/349/EEC on detailed rules concerning equivalent compensation and prior exportation under inward processing arrangements.

Further information. HM Customs and Excise, International Division H, Kings Beam House, 39–41 Mark Lane, London EC3R 7HE (tel. 01-626 1515)

CUSTOMS DUTIES. The *Official Journal of the European Communities* C140, 21 June 1975 contains amendments to the table of customs duties applicable on goods originating in the EFTA States (Austria, Finland, Iceland, Norway, Portugal, Sweden and Switzerland) which was published in the *Official Journal* C130, 24 October 1974. The amendments, which came into effect on 1 July 1975 affect certain of the goods falling within EEC Common Customs Tariff headings 17.04; 18.06; 19.07; 19.08; 35.05 and 38.12.

Copies of both *Official Journals* referred to may be obtained from HMSO price £1.05 plus postage for C130 and £0.21 plus postage for C140.

HARMONISATION OF LEGISLATION. Proprietary medicinal products.

Trade and Industry dated 14 March 1975 (page 658) contained a notice about two EEC Directives relating to the marketing of proprietary medicinal products. The texts of these Directives together with a third setting up a 'Pharmaceutical Committee' have now been published in the *Official Journal of the European Communities* L147, 9 June 1975, as follows:

Directive 75/318/EEC on the approximation of the laws of Member States relating to analytical, pharmaco-toxicological and clinical standards and protocols in respect of the testing of proprietary medicinal products.

Directive 75/319/EEC on the approximation of provisions laid down by law, regulation or administrative action relating to proprietary medicinal products.

Decision 75/320/EEC setting up a pharmaceutical committee.

Copies of the *Official Journal* L147, may be obtained from HM Stationery Office.

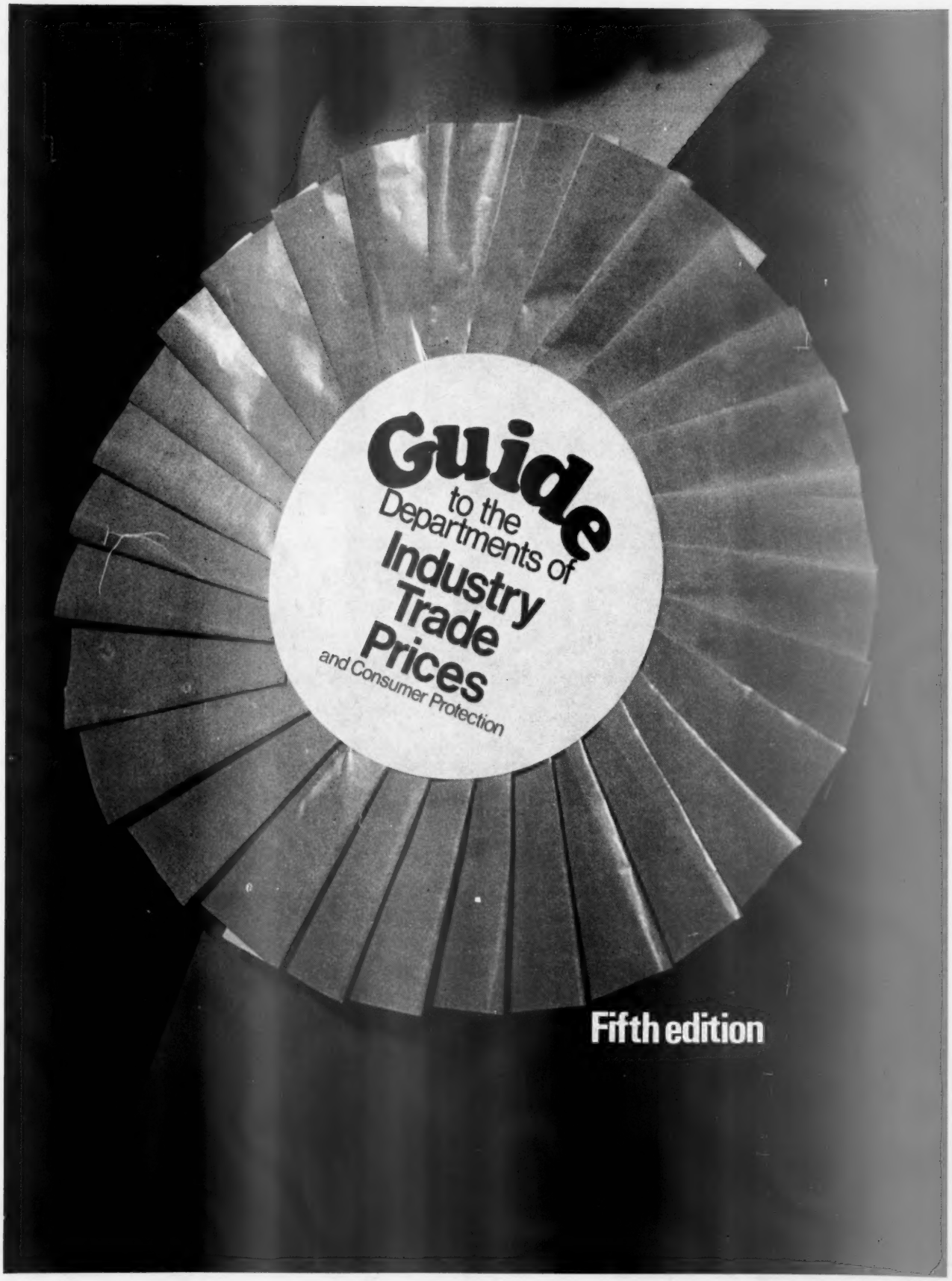
Further information. Department of Health and Social Security (tel. 01-638 6020 ext. 319).

ITALIAN IMPORT DEPOSIT SCHEME. The *Official Journal of the European Communities* L158, 20 June 1975 contains the text of Decision 75/355/EEC amending Decision 74/287/EEC authorising Italy to take certain protective measures under Article 108 (3) of the Treaty. Articles 1, 2, 3, 4 and 7 (3), (4) and (5) of Decision 74/287/EEC are repealed.

BUSINESS IN EUROPE?

Peter Douglas MIPR, author of Gower's latest guide to export prospects in France, offers expert research and consultancy services to companies interested in doing business in Europe. Please ask for details.

Peter Douglas 205 Howard House Dolphin Square London SW 1.
Telephone 01-828 2202


Guide
to the Departments of
Industry
Trade
Prices
and Consumer Protection
Fifth edition

The Department of Industry

The Department is responsible for general industrial policy, and for the industrial component of regional policy, including financial assistance to industry under the Industry Act (except that certain regional industrial policy functions in Scotland and Wales are now exercised by the Scottish and Welsh Offices). It sponsors individual manufacturing industries, including iron and steel, aircraft and shipbuilding; it is responsible for two nationalised industries, the British Steel Corporation and the Post Office. The Department is responsible for technical services to industry, and for industrial research and development, including civil aerospace research and the supervision of the industrial research establishments of the former Department of Trade and Industry. The Design Council and the National Research Development Corporation also come within its sphere.

Secretary of State for Industry

Eric Varley

Minister of State

Lord Beswick
(also Department's spokesman in the House of Lords)

Iron and steel
Aircraft industry
Shipbuilding industry
Industrial R & D
General manufacturing industry including
- Chemicals and textiles
- Minerals, metals, electrical engineering, process plant and industrial technologies
- Mechanical engineering
- Vehicles
- Computers, systems and electronics
- Paper, timber and miscellaneous manufactures

Cases under Section 8 of the Industry Act 1972 and Section 7 cases of wider than regional significance

Minister of State

Gregor MacKenzie

Post Office
Regional policy
Regional industrial finance
Regional industrial distribution
Regional development grants
Investment grants
Regional offices
Small firms

Parliamentary Under-Secretary of State

Gerald Kaufman

Industry Bill
National Enterprise Board
Planning agreements

Mr. Kaufman, together with the Secretary of State, speaks in the House of Commons on subjects for which Lord Beswick has responsibility as Minister of State.

Department of Industry: Headquarters Organisation

Permanent Secretary: Sir Antony Part
The following Deputy Secretaries report direct to Sir Antony Part – Sir Ieuan Maddock, Mr. D. le B. Jones (except for Shipbuilding Policy Division), Mr. M. J. Kerry, Prof. A. T. Peacock, Mr. L. S. Berman, Mr. D. A. Lovelock and Mr. A. Lord (except for Industrial Planning Division).

Secretary (Industry): P. W. Carey
The following Deputy Secretaries report to Mr. Carey – Mr. R. F. Prosser, Mr. G. D. W. Odgers, Mr. R. W. Gray, Mr. R. H. W. Bullock, Mr. A. Lord (for Industrial Planning Division only) and Mr. D. le B. Jones (for Shipbuilding Policy Division only).

The chart below is not intended to show the relative status of the posts.

Deputy Secretary	Division or Department		Head of Division
R. F. Prosser*	Regional Industrial Development	RID	M. H. M. Reid
	Regional Industrial Finance	RIF	A. J. Lippitt
	Regional Development Grants	RDG	J. E. Barnes
	Small Firms	SF	J. E. Barnes
G. D. W. Odgers, Director	Industrial Development Unit	IDU	D. G. Eastmond
		Deputy Directors	M. G. M. Haines; I. F. L. Halliday; R. Hamilton
R. H. W. Bullock	Minerals, Metals, Electrical Engineering, Process Plant and Industrial Technologies	MEPT	D. C. Clark
	Vehicle	V	W. R. G. Bell
	Machine Tools and Mechanical Engineering	M	D. N. Byrne
	Computers, Systems and Electronics	CSE	M. P. Lam
	Co-ordination of sponsorship of private sector industries	—	D. C. Clark
Sir Ieuan Maddock, Chief Scientist	R & D Requirements	RR	B. W. Oakley
	R & D Contractors	RC	J. W. Nichols
	Space and Air Research	SAR	H. G. R. Robinson
D. le B. Jones	Air	Air	A. Warrington
	Concorde	Concorde	K. G. H. Binning
	Shipbuilding Policy	SBP	E. V. Marchant
	Posts and Telecommunications	PT	D. G. C. Lawrence
	Co-ordination of Department's interest in defence matters	—	—
R. W. Gray	Chemicals and Textiles	CT	P. W. Ridley
	Iron and Steel	IS	S. J. Gross
	Paper, Timber and Miscellaneous Manufactures Branch	PTM	J. E. Barnes
	Industry Studies	—	A. J. Gray
	Co-ordination of Department's interest in Mergers Panel and major export and investment packages	—	A. J. Gray
M. J. Kerry, The Solicitor	Overseas Trade and ECGD	Sol A	T. D. Salmon
	Domestic Commercial Law and Consumer Protection	Sol B	W. C. Beckett
	Prosecutions and Investigations	Sol C	J. A. Trapnell
	Industry and Industrial Assistance; Posts and Telecommunications; Patents	Sol D	*Assistant Solicitors* H. S. A. Hart; R. Higgins
Prof. A. T. Peacock, Chief Economic Adviser	Economics and Statistics 1	EcS1	D. R. H. Sawers
	Economics and Statistics 3	EcS3	P. M. Rees
	Economics and Statistics 4	EcS4	R. O. Goss
L. S. Berman, Director of Statistics	Economics and Statistics 5	EcS5	T. Paterson
	Economics and Statistics 6	EcS6	Miss R. J. Maurice
	Business Statistics Office	BSO	M. C. Fessey
D. A. Lovelock, Principal Establishment and Finance Officer	Establishment Senior Staff Management	SSM	G. Parker
	Establishment Personnel	EP	E. J. D. Warne
	Establishment Management Services and Manpower	EM	G. C. Lowe
	Establishment General Services	EG	J. Fish
	Finance and Economic Appraisal	FEA	H. Scholes
A. Lord	Accountancy Services	AccS	H. A. Parfitt
	Industrial and Commercial Policy	IC	Miss A. E. Mueller
	Industrial Planning	IP	R. E. Dearing
	Information †	Inf	R. J. J. Tuite
	Parliamentary Branch ‡	PB	Miss P. A. Davey

Industrial Advisers §
S. Baker (Co-ordinator)

* The Regional Directors and the Industrial Directors in the Assisted Areas also report to Mr. Prosser. † Reports direct to Sir Antony Part. ‡ Reports to the PPS to the Secretary of State for Industry. § Work is also undertaken on behalf of the Department of Trade.

London addresses

Code	Address	Telephone	Telex
V	1 VICTORIA STREET, SW1H 0ET	01-215 7877	27366 & 917929
AB	Abell House, John Islip Street, SW1P 4LN	01-211 3000	
CS	Chapter Street House, 26 Chapter Street, SW1P 4NS	01-834 7032	
DB	Dean Bradley House, 52 Horseferry Road, SW1P 2AG	01-212 7676	
HH	Hillgate House, 26 Old Bailey, EC4M 7HU	01-248 5757	
K	Kingsgate House, 66-74 Victoria Street, SW1E 6SJ	01-215 7877	27366
MH	Monsanto House, 10-18 Victoria Street, SW1H 0NQ	01-215 7877	27366
MT	Millbank Tower, Millbank, SW1P 4QU	01-211 3000	918829
TH	Thames House South, Millbank, SW1P 4QJ	01-211 3000	
WB	Waterloo Bridge House, Waterloo Road, SE1 8UA	01-275 3000	261969

Regional offices are given on page 6. Each Divisional entry overleaf includes an address code to indicate its location.

1-1 Regional Industrial Development **MT**
Industrial aspects of regional development. Designation of Assisted Areas. Regional policy in relation to the EEC. Liaison with departmental regional offices and with related divisions of the Scottish Office, Welsh Office and Department of Commerce, Northern Ireland.

1-2 Regional Industrial Finance **MT**
Responsibility for regional selective assistance under Section 7 of the Industry Act 1972 and for financial assistance under the Local Employment Act 1972 (excluding Sections 7-9 incl.). Industrial Development Certificates. Building and leasing of factories through the English Industrial Estates Corporation. Promotion of Assisted Areas. Inward investment.

1-3 Regional Development Grants **MT**
Administration of regional development grants under the Industry Act 1972, and residual work on investment grants under the Industrial Development Act 1966.

1-4 Small Firms **AB**
The focal point within Government where the needs of small firms can be seen as a whole. Matters arising from the Bolton Committee Report. Policy on and central management of Small Firms Information Centres.

1-5 Industrial Development Unit **MT**
Particularly concerned with the needs of industrial development and their solution. Appraisal of cases for selective financial assistance under Part II of the Industry Act 1972.

1-6 Chemicals and Textiles **MT**
Sponsorship of cotton and wool textiles, man-made fibres, clothing, leather, footwear, tobacco, chemicals, rubber, plastics, fertilisers, proprietary medicines, toiletries and sundry related industries.

1-7 Computers, Systems and Electronics **DB**
Sponsorship of the electronics industry (telecommunications, scientific instruments for industrial process control but not numerically controlled machines) and the computer and computer peripheral industries, including software.

1-8 Machine Tools and Mechanical Engineering **AB**
Sponsorship of the metal and woodworking machine-tool, welding, manufacturing and mining machinery, and other mechanical engineering products industries.

1-9 Vehicle **AB**
Sponsorship of the motor vehicle, motor-cycle, internal combustion engine and agricultural machinery industries.

1-10 Minerals, Metals, Electrical Engineering, Process Plant and Industrial Technologies **MT**
General policy on mineral development in the UK. Questions of world demand and supply of non-ferrous metals. Sponsorship of non-ferrous metals industries and electrical engineering and process plant engineering and contracting industries. Promotion of industrial technologies (tribology, terotechnology, corrosion and protection, mechanical handling) and of low-cost automation, and sponsorship of mechanical handling and related industries.

1-11 Paper, Timber and Miscellaneous Manufactures Branch **AB/MT**
Sponsorship of paper, timber, board, and miscellaneous manufactures industries, including pottery, glass, cutlery, furniture, etc.

1-12 Shipbuilding Policy **MT**
Technological and sponsorship responsibilities for the shipbuilding, shiprepairing, boat building, slow speed diesel engine, marine equipment and hovercraft industries. Financial responsibilities at HQ for all proposals involving selective assistance to shipbuilding firms under Sections 7 and 8 of the Industry Act 1972. Administration of shipbuilding credit and grant schemes under Sections 10 and 11 of the Industry Act 1972. Preparation of legislation for public ownership of shipbuilding, shiprepairing and marine engineering industries.

1-13 Iron and Steel **TH**
Policy relating to the iron and steel industry. Administration of the Iron and Steel Acts. BSC organisation, finance, investment and closures. Sponsorship of the private sector iron and steel industry and the foundry industry.

1-14 Space and Air Research **MH**
Research and technological demonstrator programmes on civil aircraft, aero-engines, aircraft equipment and civil space applications. International space interests, European Space Agency (applications programmes). Sponsorship of the space and aircraft equipment industries.

1-15 Air **MH**
Sponsorship of the aircraft and aero-engine industries. Ownership and structure of the UK aircraft industry. Government financial interest in Rolls-Royce (1971) Ltd. and Short Brothers and Harland Ltd. Government investment in civil aircraft and aero-engine projects, including RB211 financing. International matters in the aircraft and aero-engine fields, including civil aircraft and aero-engine exports. Technical and market assessment of current and possible future civil aircraft and air transport systems.

1-16 Concorde **MH**
British Government policy on Concorde; supervision of the approved programme.

1-17 Research and Development Requirements **AB**
Servicing the Requirements Boards set up to determine the objectives and balance of the Department's research and development programmes, the broad allocation of funds, and to commission R & D work. Sponsorship of research in marine technology and materials; Departmental interest in Government-financed research in universities, research councils and other departments.

1-18 Research and Development Contractors **AB**
Consideration of the responsibilities and problems of public sector contractors, especially those of the industrial research establishments (*see facing page*). Allocation and coordination of authorised programmes. Dealing with

National Research Development Corporation, National Computing Centre, Design Council and Queen's Award to Industry (technology section). Research Divisions' interests in overseas science and technology and technical information and transfer of technology to industry services. Provides information on overseas science and technology, Scientific Counsellor reports, etc. Promotion of the Department's interests in technological manpower, schools/industry collaboration, education and training in the industrial technologies, Council of Engineering Institutions and the professional institutions and negotiation of qualifications for freedom of employment in the EEC.

Technology Reports Centre (St. Mary Cray, Orpington, Kent BR5 3RF. Tel: Orpington 32111).
Information service for industry on UK Government and overseas R & D, operates 'Techlink', a selective dissemination service, operates an on-line terminal to the data banks of the European Space Documentation Service, and other computer retrieval systems.

1-19 Research Establishments, etc.

National Physical Laboratory (Teddington, Middx. Tel: 01-977 3222, Telex 262344).
Metrology, standards, materials studies, computer science, industrial aerodynamics, acoustics, ship hydrodynamics and marine technology.

National Engineering Laboratory (East Kilbride, Glasgow G75 0QU. Tel: East Kilbride 20222, Telex 77588).
Engineering structures (including off-shore structures) and materials, fluids, manufacturing systems.

Warren Spring Laboratory (Gunnels Wood Road, Stevenage, Herts SG1 2BX. Tel: Stevenage 3388, Telex 82250).
Chemical and process engineering, mineral processing, environmental pollution.

Laboratory of the Government Chemist (Cornwall House, Stamford Street, London SE1 9NQ. Tel: 01-928 7900).
Analytical services to Government departments and others, food chemistry, pesticide residues, environmental pollution.

Pesticide Residue Analysis Information Service (Cornwall House, Stamford Street, London SE1 9NQ. Tel: 01-928 7900).

Computer-aided Design Centre (Madingley Road, Cambridge CB3 0HB. Tel: Cambridge 63125).
Development of computer-aided design systems for chemical, mechanical, electrical, electronic and civil engineering, building, construction and industrial design.

1-20 Industrial Advisers V

Provide industrial advice for Ministers and senior officials over the whole range of the Department's activities, and beyond to other Departments and to NEDO, the British Overseas Trade Board, etc. Centrally based, the advisers have generally been directors of large companies. Each has experience of general management and more specific experience in specialised fields, and they work within Government for about two years.

1-21 Industrial and Commercial Policy V

Focal point for the Department's interest in economic, financial, fiscal, industrial, social and environmental policies. Also provides some common services for the Departments of Trade and Prices and Consumer Protection.

1-22 Industrial Planning MT

Work on the Government's industrial policy with special reference to the proposals for the introduction of planning agreements, the creation of the National Enterprise Board and the revision of the Industry Act.

1-23 Accountancy Services HH

A common service (provided also for the Departments of Trade, Energy and Prices and Consumer Protection) for all accountancy questions.

1-24 Information V

The Departments of Industry, Trade, and Prices and Consumer Protection have their own Information Divisions which are responsible for the public presentation of Departmental business and publicity services generally. The Department of Industry is responsible for the common information services which cover briefing, paid publicity, external and internal publications, including the *Trade and Industry* journal and the EEC Information Unit (*see page 16*).

1-25 Economics and Statistics V

Economic and statistical analysis and advice; forecasts and special studies to assist in formulating economic and industrial policies; data collection and processing. There are five divisions providing a common service to the Departments of Industry, Trade and Prices and Consumer Protection. They are: industrial, regional, shipping, aviation and aerospace economics (EcS1); manufacturing industry – monitoring and assessment (EcS3); home economy – economics and statistics; price code and consumer protection (EcS4); international trade and balance of payments (EcS5); financial, distribution and research and development statistics (EcS6).

Business Statistics Office (Cardiff Road, Newport, Gwent NP7 1XG. Tel: 0663 56111).
The principal Government agency for collecting and processing statistics from business firms.

1-26 Establishment V

There are four divisions which provide common services to the Departments of Industry, Trade, Prices and Consumer Protection: Senior Staff Management – personnel management above Principal level; Establishment Personnel – personnel management Principal level and below; Establishment Management Services and Manpower – organisation policy, management services, manpower forecasts, complementing and staff inspection, public appointments, honours; Establishment General Services – establishment matters common to all classes, office services, libraries and industrial staff, focal point for Parliamentary Commissioner for Administration cases and Race Relations Board cases.

Statistics and Market Intelligence Library XH

A public reference library of material on overseas markets including large collections of economic and general

statistics, catalogues of foreign manufacturers, overseas development plans, and overseas trade and telephone directories.

1-27 Finance and Economic Appraisal AB
General financial policy and control for the Department of Industry and also, as a common service, for the Departments of Trade and of Prices and Consumer Protection. Co-ordination and preparation of the Estimates and PESC forecasts. Development and application of criteria for evaluation of current and proposed expenditure and of the effectiveness of the expenditure programmes. Liaison and co-ordination for Exchequer and Audit Department, Public Accounts Committee and Select Committee on Expenditure. Control of accounts work and internal audit.

1-28 Solicitor's Department K
Acts as adviser on legal matters involved in the work of the Departments of Industry, Trade, and Prices and Consumer Protection and the Export Credits Guarantee Department. It is responsible for drafting all subordinate legislation, and for prosecutions arising from Department-administered Acts. There are four divisions. Division A – overseas trade and ECGD; Division B – domestic commercial law and consumer protection; Division C – prosecutions and investigations; Division D – industry and industrial assistance, posts and telecommunications and patents.

1-29 Parliamentary Branch V
Responsible for co-ordinating all parliamentary work for the Departments of Industry, Trade and Prices and Consumer Protection – public and private Bills, subordinate legislation, Parliamentary Questions, etc.

1-30 Posts and Telecommunications WB
Nationalised Industry Policy
Sponsorship of the Post Office's Postal, Telecommunications, Data Processing, and Giro and Remittance services: this includes borrowing and capital investment matters; tariffs; incomes policies; Board appointments; constitutional, legislation and land questions. Sponsorship of Cable and Wireless Ltd.

Governmental aspects of international postal and telecommunications relations, including EEC, International Telecommunication Union (ITU) and Universal Postal Union (UPU) matters.

Regional and District Offices

The Department of Industry's main regional network is based on its eight Regional Offices in England. The Industrial Development Division of the Scottish Economic Planning Department (SEPD) in Glasgow and the Welsh Office Industrial Department in Cardiff, in addition to exercising those industrial functions which have now been transferred to the Scottish and Welsh Secretaries of State, carry out certain functions for the Department of Industry on an agency basis. These parts of the Scottish and Welsh Offices, and the Northern Ireland Department of Commerce in Belfast, maintain close liaison with the Department on matters of common concern and interest.

The Regional Offices represent the Department in its dealings with industry, local authorities, the Regional Offices of other Government Departments and other local bodies and organisations. The Regional Offices are also responsible for administering selective assistance to industry in Assisted Areas and for other aspects of regional industrial development. Some activities are also undertaken by the Regional Offices on behalf of the Department of Trade, such as export promotion, while the Regional Offices also serve the Department of Energy.

In addition some parts of the work of these Departments are handled through specialist local offices. The main ones are the offices dealing with Regional Development Grants and the residual Investment Grants under the Department of Industry and HM Coastguard, Mercantile Marine Offices, Marine Survey Offices and the Official Receivers in bankruptcy and company liquidation under the Department of Trade. The Export Credits Guarantee Department also has local offices.

Regional development and investment grants offices are listed on page 9

Small Firms Information Centres are listed on page 16

North

Northumberland, Tyne and Wear, Cleveland, Durham and Cumbria (except the Employment Office areas of Barrow-in-Furness, Dalton-in-Furness, Ulverston and Grange-over-Sands)

Regional Director: R. L. Sutton
Industrial Director: C. F. Herzberg

■● *Regional Office:* Wellbar House, Gallowgate, **Newcastle upon Tyne** NE1 4TR (Newcastle upon Tyne (0632) 27575, Telex 53178).

● *District Office for Cumbria:* Town Hall, **Cockermouth,** Cumbria CA13 9NP (Cockermouth (090-082) 3498/9, Telex 64173).

North-West

Cheshire, Lancashire, Merseyside, Greater Manchester, High Peak District of Derbyshire and that part of Cumbria in the Employment Office areas of Barrow-in-Furness, Dalton-in-Furness, Ulverston and Grange-over-Sands

Regional Director: N. S. Belam
Regional Industrial Director: A. W. Ward

■● *Regional Office:* Sunley Building, Piccadilly Plaza, **Manchester** M1 4BA (061-236 2171, Telex 667104).

Key to Address Code – page 3 **Index – page 17**

Department of Industry regions

Yorkshire and Humberside

North, South and West Yorkshire and Humberside

Regional Director: J. H. McEnery
Regional Industrial Director: A. R. M. Graham

■ ● *Regional Office:* Priestley House, 1 Park Row, **Leeds** LS1 5LF (Leeds (0532) 443171, Telex 557925).

West Midlands

Salop, West Midlands Metropolitan County, Staffordshire, Warwickshire, Hereford and Worcester

Regional Director: J. K. L. Thompson

● *Regional Office:* Ladywood House, Stephenson Street, **Birmingham** B2 4DT (021-632 4111, Telex 337021).

East Midlands

Nottinghamshire, Derbyshire (except High Peak District), Leicestershire, Lincolnshire and Northamptonshire

Regional Director: N. Lott

● *Regional Office:* Cranbrook House, 47 Cranbrook Street, **Nottingham** NG1 1ES (Nottingham (0602) 46121, Telex 37143).

London and South-East

Greater London, Kent, Surrey, Sussex, Hampshire and Isle of Wight

Regional Director: A. C. Coging

Regional Office: Cromwell House, Dean Stanley Street, **London** SW1P 3HY (01-212 7676, Telex 25991).
Branch Office: Concord House, 454/458 London Road, **Croydon** CR9 2QB (01-684 9781).

South-West

Cornwall (including Isles of Scilly), Devon, Somerset, Wiltshire, Gloucestershire, Avon and Dorset

Regional Director: R. C. McVickers
Regional Industrial Director: C. E. Cannell

● *Regional Office:* The Pithay, **Bristol** BS1 2PB (Bristol (0272) 291071, Telex 44214).

■ *South-Western Industrial Development Office:* Phoenix House, Notte Street, **Plymouth** PL1 2HF (Plymouth (0752) 21891/4, Telex 45494).

East

Bedfordshire, Berkshire, Buckinghamshire, Essex, Hertfordshire, Oxfordshire, Cambridgeshire, Norfolk and Suffolk

Regional Director: B. Feinstein

Regional Office: Cromwell House, Dean Stanley Street, **London** SW1P 3HY (01-212 7676, Telex 25991).
District Office for certain matters for Bedfordshire, Berkshire, Buckinghamshire, Hertfordshire and Oxfordshire: Market Place House, **Reading,** Berks RG1 2EN (Reading (0734) 581261).

Scotland

A. G. Manzie, Under Secretary, Industrial Development Division of the Scottish Economic Planning Department.
W. B. Kirkpatrick, Industrial Director.

● *Office for the whole of Scotland:* 314 St. Vincent Street, Glasgow G3 8XF (041-248 2855, Telex 77583).

● *District Office for the Highlands and Islands and North East Scotland:* Caledonia House, 63/67 Academy Street, **Inverness** IV1 1LU (Inverness 30867/8).

Wales

P. B. Hunt, Director, Industrial Department of the Welsh Office.
D. C. Simpson, Industrial Director.

● *Office for the whole of Wales:* Government Buildings, Gabalfa, **Cardiff** CF4 4YL (Cardiff (0222) 62131, Telex 49267).
District Office for North Wales: Government Buildings, Dinerth Road, **Colwyn Bay,** Clwyd. (Colwyn Bay (0492) 44261).

Northern Ireland

J. T. B. Quan, Assistant Secretary, Department of Commerce, Northern Ireland.

● *Office for the whole of Northern Ireland:* Chichester House, 64 Chichester Street, **Belfast** BT1 4JX (Belfast (0232) 34488, Telex 747025).

Mr. Manzie, Mr. Hunt and Mr. Quan act as the equivalent of the Regional Director for the Department of Industry, and Mr. Kirkpatrick and Mr. Simpson as the equivalent of the Regional Industrial Director.

■ Regional Industrial Director (in addition to Regional Director).
● Offices providing services for British exporters (services for British exporters in the London & South-East and Eastern regions are provided by the Department of Trade's headquarters' Export Services and Promotions Division).

Department of Industry

Regional development and investment grants offices

Cardiff

Department of Industry Regional Development Grants Office,
24-26 Newport Road, Cardiff CF2 1SY
Tel: 0222 42611. Telex 49538.

Director: J. M. G. Lynch.

Area for which responsible: Regional development grants – the whole of Wales, Cornwall (including the Isles of Scilly), Nottinghamshire and Derbyshire (except the High Peak District); also the Assisted Areas in Devonshire, Leicestershire, Salop and Staffordshire. Investment grants – Wales, Avon, Cornwall (including the Isles of Scilly), Devon, Derbyshire (except the High Peak District), Dorset, Gloucestershire, Hereford and Worcester, Leicestershire, Lincolnshire (Holland, Kesteven and Lincoln County Borough), Northamptonshire, Salop, Somerset, Staffordshire, Warwickshire, West Midlands and Wiltshire.

Bootle

Department of Industry Regional Development Grants Office,
St. Peter's House, Stanley Precinct, Bootle, Merseyside L20 3LZ.
Tel: 051-922 4030. Telex 627162.

Director: E. Atherton.

Area for which responsible: Regional development grants and investment grants – Cheshire, Lancashire, Merseyside, Greater Manchester, the High Peak District of Derbyshire, and Barrow-in-Furness, Dalton-in-Furness, Ulverston and Grange-over-Sands in Cumbria.

Billingham

Department of Industry Regional Development Grants Office,
Queensway House, West Precinct, Billingham, Cleveland TS23 2NF.
Tel: 0642 553671. Telex 58608.

Director: P. E. Nielsen.

Area for which responsible: Regional development grants – Cumbria (except Barrow-in-Furness, Dalton-in-Furness, Ulverston and Grange-over-Sands), Durham, Northumberland, Tyne and Wear, Cleveland, Yorkshire and Humberside; also the Assisted Areas in Lincolnshire. Investment grants – Cleveland, Cumbria (excluding Barrow-in-Furness, Dalton-in-Furness, Grange-over-Sands and Ulverston), Durham, Humberside, Lincolnshire (Lindsey), Northumberland, Tyne and Wear and Yorkshire.

Glasgow

Department of Industry Regional Development Grants Office,
Magnet House, 59 Waterloo Street, Glasgow G2 7BT.
Tel: 041-221 9833. Telex 77611.

Director: P. D. H. King.

Area for which responsible: Regional development grants and investment grants – the whole of Scotland.

Southend

Department of Industry Investment Grants Office,
Colman House, 71 Victoria Avenue, Southend-on-Sea, Essex SS2 6DU.
Tel: 0702 41341 or 41362. Telex 99288.

Director: C. E. Ohlson.

Area for which responsible: Scotland, England and Wales; all applications for investment grant on ships and computers. Applications for investment grant on plant and machinery formerly dealt with by the Southend office for firms in Bedfordshire, Berkshire, Buckinghamshire, Cambridgeshire, Essex, Hampshire (including the Isle of Wight), Hertfordshire, Kent, London (Greater London Council area), Norfolk, Oxfordshire, Suffolk, Surrey and Sussex are now dealt with by the following Regional Development Grants Offices, except for those firms who have already been otherwise informed:

Firms with titles beginning	*RDGO*
A–B and H–L	Billingham
C–G	Bootle
M–Z	Cardiff

The Department of Trade

Overseas Trade
The Department is responsible for commercial policy and relations with overseas countries and is concerned with economic policies affecting the international position of the United Kingdom. It promotes United Kingdom commercial interests overseas, negotiates on trade and commercial matters, and administers United Kingdom protective tariffs. Under the direction of the British Overseas Trade Board, which was set up in January 1972 and has the Secretary of State for Trade as President, the Department promotes British exports, providing an export information service to industry and commerce, largely through the eight regional offices, and handling Government support for overseas trade fairs. The Export Credits Guarantee Department is a separate Department responsible to the Secretary of State for Trade, providing a credit insurance facility and guaranteeing finance, for exported goods and services.

Shipping and Civil Aviation
The Department is the sponsor for the United Kingdom shipping and civil aviation industries including the conduct of international negotiations. It is also responsible for the regulation of marine safety.

The Department sponsors the British Airways Board, the British Airports Authority and the Civil Aviation Authority, and approves the capital investment of these bodies. In addition, the Department issues policy guidance to the Civil Aviation Authority and administers the Authority's annual grant until such time as full recovery of costs is attained.

Commerce and Industry
The Department is responsible in general for the basic legal framework for the regulation of industrial and commercial enterprises, administering a number of statutes governing company affairs and insolvency. It also holds general responsibility for company law, patent, trade mark and copyright matters, and for all matters affecting insurance. The Department of Trade is also the sponsor Department for tourism and the hotel and travel industries; the newspaper, printing and publishing industries; the film industry and the distributive and service trades.

Secretary of State for Trade and President of the Board of Trade

Peter Shore

Overseas, trade policy, including EEC questions, commercial relations and tariffs
Export Credits Guarantee Department
British Overseas Trade Board
Tourism and hotel and travel industries
Newspaper, film and publishing industries
Distributive and service trades

Parliamentary Under-Secretary of State – Trade

Eric Deakins

Civil aviation, marine and shipping policy
Companies legislation
Insurance supervision
Insolvency service
Patent Office

Parliamentary Under-Secretary of State – Companies, Aviation and Shipping

Stanley Clinton Davis

Department of Trade: Headquarters Organisation

Permanent Secretary: Sir Peter Thornton

The chart below is not intended to show the relative status of the posts.

Deputy Secretary	Division or Department		Head of Division
K. Taylor — Export Credits Guarantee Department	Medium and Long Term Guarantees	ECGD	K. W. Cotterill
	International Relations and Central Services		J. Gill
	Marketing and Comprehensive Guarantees		D. C. Smith
J. S. Rooke — Chief Executive, British Overseas Trade Board	Export Services and Promotions	ESP	W. K. Ward
	Overseas Projects Group	OPG	P. G. F. Bryant
	Special Adviser on Japanese Market		J. I. McGhie
G. R. Denman	General Division	Gen	J. R. Steele
	Commercial Relations and Exports 1*	CRE1	S. Abramson
	Europe Industry and Technology	EIT	Miss K. E. Boyes
P. S. Preston	Commercial Relations and Exports 2	CRE2	W. M. Knighton
	Commercial Relations and Exports 3	CRE3	D. N. Royce
	Commercial Relations and Exports 4	CRE4	L. Lightman
	Commercial Relations and Exports 5	CRE5	J. Caines
	Export Development†	ED	D. N. Royce
P. A. R. Brown	Patent Office	Pats	E. Armitage
	Insurance	I	M. S. Morris
	Companies	C	R. C. M. Cooper
	Insolvency Service	InsS	C. A. Taylor
	Publishing, Tourism, Films and Distribution	PTFD	Miss M. J. Lackey
D. F. Hubback	Civil Aviation 1 (Industry Policy and Safety)	CA1	P. G. Hudson
	Civil Aviation 2 (International Affairs)	CA2	G. T. Rogers
	Civil Aviation 3 (Airports and Noise)	CA3	S. D. Wilks
	Shipping Policy	SP	G. Lanchin
	Marine	MAR	J. N. Archer
	Chief Inspector of Accidents (Reports direct to Secretary of State)	AIB	W. H. Tench
	Information	Inf	N. Gaffin

Industrial Advisers:‡

S. Baker (Co-ordinator)

* Branch 2 of CRE1 reports through Mr. Abramson to Mr. Preston. † Reports to Mr. J. S. Rooke on day-to-day promotion work. ‡ Work is also undertaken on behalf of the Department of Industry (*which see*).

London addresses

Code	Address	Telephone	Telex
V	1 VICTORIA STREET, SW1H 0ET	01-215 7877	27366 and 917929
AD	The Adelphi, John Adam Street, WC2N 6BQ	01-217 3000	22119
AH	Aldermanbury House, Aldermanbury, EC2P 2EL	01-606 6699	883601
AT	Atlantic House, Holborn Viaduct, EC1N 2HD	01-583 8931	
BR	2-14 Bunhill Row, EC1Y 7LL	01-606 4071	
CL	Cleland House, Page Street, SW1P 4LW	01-222 8020	917865
CO	Companies House, 55-71 City Road, EC1Y 1BB	01-253 9393	
HH	Hillgate House, 26 Old Bailey, EC4M 7HU	01-248 5757	886143
K	Kingsgate House, 66-74 Victoria Street, SW1E 6SJ	01-215 7877	27366
P	Southampton Buildings, WC2 1AY	01-405 8721	
PS	Parliament Square House, 34-36 Parliament Street, SW1A 2ND	01-212 7676	24730
S	Sanctuary Buildings, 16-20 Great Smith Street, SW1P 3DB	01-215 7877	27366
SM	Shell Mex House, Strand, WC2R 0DP	01-217 3000	22119
SU	Sunley House, 90-93 High Holborn, WC1V 6LP	01-405 6911	264084
TM	Thomas More Building, Royal Courts of Justice, Strand, WC2A 2JY	01-405 7641	
XH	Export House, 50 Ludgate Hill, EC4M 7HU	01-248 5757	886143

Some activities are undertaken on behalf of the Department of Trade by the regional and district offices of the Department of Industry (see page 6).

Each Divisional entry overleaf includes an address code to indicate its location.

2-1 British Overseas Trade Board V
Directs export promotion work of Export Services and Promotions and Export Development Divisions and the Overseas Projects Group. Consists of business men and representatives of industry, the Departments of Trade and Industry, ECGD and the Foreign and Commonwealth Office, under the presidency of the Secretary of State for Trade and under the chairmanship of Sir Frederick Catherwood.

Exports to Japan Unit HH
Offers specialist advice on the Japanese market, and co-ordinates the export promotion programme for Japan, including that of the British Export Marketing Centre in Tokyo.

2-2 Commercial Relations and Exports V
Protection of UK commercial interests overseas. Treaties and trade agreements with other countries, representations on commercial matters, etc. Trade questions arising from membership of the EEC. Assisted overseas by commercial departments of missions and consulates. There are five divisions, the first concerned with matters of general external policy including GATT and UNCTAD, and the others with individual countries and related general groupings. The latter four divisions have certain general export promotion responsibilities.
Responsibility also for:

International Technological Collaboration Unit (Culham Laboratory, Abingdon, Berks. Tel: Oxford 41721, Telex: 83189).
Responsible for implementing technological collaboration agreements between Britain and other countries; assists in technological exchanges.

2-3 Europe, Industry and Technology V
Co-ordination of interests of Departments of Trade, Industry, and Prices and Consumer Protection on a wide range of matters relating to UK membership of the European Communities. Main policy responsibility for advice to industry and commerce on these subjects. Departmental link with Parliamentary Scrutiny Committees. Industrial and technological aspects of UK membership of EEC and co-ordination of Departmental work in this field. Technological relations with West European countries.

2-4 Overseas Projects Group V
Co-ordination of official support for consultants, contractors, manufacturers and bankers pursuing major contracts in large projects overseas. Assistance in certain cases from the Overseas Projects Fund with pre-contractual expenses of firms pursuing major contracts.

2-5 Export Development V
General policy on export promotion. Development and finance of British Overseas Trade Board's export promotion activities. Co-ordination of the Department's interests in overseas aid, education and training for overseas trade and export implications of public sector purchasing. Office of the Queen's Award to Industry. Export Licensing Branch.

2-6 Export Services and Promotions XH
Under the direction of the British Overseas Trade Board and working closely with British Diplomatic Service Posts abroad, provides, with the Export Sections of the Department of Industry's Regional Offices, the Industrial Development Division of the Scottish Economic Planning Department and the Welsh Office Industrial Department, advice, information and assistance to British companies engaged in overseas trading. Liaison with Technical Help to Exporters.

General Export Services Branch XH
Export services for firms in the London and South Eastern Region and the Eastern Region. Supply of information on overseas market prospects for particular goods and services. Help with business visits abroad and in making trade contacts overseas. Liaison with trade associations, etc.

Special Export Services Branch XH
Export Marketing Research Scheme. Arrangements for inward missions, VIPs and other business visitors from overseas. Home duty tours for Commercial Officers from overseas. Liaison with Export Clubs. European Components Service. British Export Trade Research Organisation (BETRO) Trust.

Export Data Branch XH
Export Intelligence Service – a computer-based service providing subscribers with details of specific export opportunities and market intelligence on a selective basis. Collection, storage and dissemination of information on markets and marketing methods. Information on overseas tariffs and import regulations. Commercial standing of overseas firms. 'Hints to Business men' publications.

Fairs and Promotions Branch HH
Supports collective participation at overseas trade fairs through the joint venture and British pavilion schemes. Organises all-British fairs, symposia, British Shopping Weeks and Store Promotions. Provides general information on trade fairs. Supports groups of British businessmen visiting overseas markets through the outward mission scheme.

2-7 General K
General responsibility for managing the UK transitional protective tariff and for anti-dumping and import licensing policy. The Division is also responsible for general economic policy including measures to assist exports, possible import saving policies, impact of fiscal policy on exports and imports and export finance and export credit policy.

2-8 Export Credits Guarantee Department AH
A separate Government department, responsible to the Secretary of State, providing export credit insurance on a commercial basis for UK exporters against commercial and political risks incurred in selling overseas. Also insurance against political risks of new overseas investments. Represented in local offices throughout the UK and in New York. The Department partially insures exporters with large capital goods contracts against a higher than expected rate of inflation and supports performance bonds in respect of very large cash or near-cash contracts.

2-9 Companies **S**

Review of companies legislation; EEC company law questions. Administration of the Companies Acts and related legislation; Prevention of Fraud (Investments) Act, Protection of Depositors Act, etc.; unit trusts; relations with the accountancy profession.

Consideration of applications for investigation and carrying out investigations of companies under Sections 164, 165, 172 and 334 of the 1948 Companies Act and inquiries under Sections 32 and 109 of the 1967 Companies Act.

Companies Registration Office

Companies Investigation Branch **BR**

2-10 Insurance **S**

Administration of the Insurance Companies Act 1974 including the authorisation and supervision of insurers; other matters affecting the insurance industry in Great Britain; matters affecting the overseas interests of British insurers including work in inter-governmental institutions, eg EEC, OECD and UNCTAD.

2-11 Insolvency Service **BR**

All aspects of insolvency administration, including the winding-up of companies under the Companies Acts and the failures of individuals under the Bankruptcy and Deeds of Arrangement Acts. Administration of the Official Receivers' service in the High Courts and provincial offices. Supervision of liquidators and trustees; accounting for and management of funds. Insolvency matters affected by EEC legislation and EEC Draft Bankruptcy Convention.

Official Receivers (High Court Offices)

Bankruptcy **TM**

Companies Winding Up **AT**

Official Receivers (Provincial offices) **BR**

2-12 Patent Office and Industrial Property and Copyright Department **P**

Registration of patents, designs and trade marks. Policy on these matters and on copyright (and sub-office at Baskerville House, Browncross Street, New Bailey Street, Salford M3 5FU. Tel: 061-832 9571 – Trade marks and Designs only).

2-13 Publishing, Tourism, Films and Distribution **CL**

Sponsorship of film industry, tourism, the printing, publishing, newspaper and book industries, personal service and distributive trades (other than food and drink) and commercial agents.

2-14 Civil Aviation 1 **SM**

Sponsorship role in relation to British Airways Board and its airlines and the Civil Aviation Authority, including appointments to these bodies, administration of the CAA grant and other matters under the Civil Aviation Act 1971. The Civil Aviation Safety Adviser provides advice on civil aviation technical and operational safety matters.

2-15 Civil Aviation 2 **SM**

International relations and negotiations covering both scheduled and non-scheduled air services. Relations with international civil aviation bodies, notably ICAO, the European Civil Aviation Conference and the Commonwealth Air Transport Council.

2-16 Civil Aviation 3 **AD**

Concern with aircraft noise and nuisance. Policy towards British Airports Authority, non-State aerodromes, public safety zones at civil aerodromes, disposal of surplus civil aviation land and property, confirmation of compulsory purchase orders, road closures and bye-laws at aerodromes. Formulation of policy and co-ordination of action on civil aviation security.

2-17 Marine **SU**

Administration of merchant shipping legislation. Safety, construction and equipment (through Marine Survey Offices). Crew matters (through Mercantile Marine Offices and the Registry of Shipping), marine pollution, navigational aids, work in tidal waters, etc.

HM Coastguard **SU**

Co-ordination of marine search and rescue.

2-18 Shipping Policy **AD**

General policy questions affecting the UK merchant fleet including fiscal policy, investment incentives, defence considerations, and structure, profitability and economic health of the industry. International shipping policy issues including flag discrimination, the role of Governments in relation to shipping conferences, flags of convenience, law of the sea and various international conventions on shipowners' liability. Discussion and negotiation on such issues with other Governments either directly or in UNCTAD, IMCO, OECD and other international fora.

Sea Transport Branch **PS**

Responsible for provision of merchant shipping or shipping space to meet the needs of government departments. Deals with planning of sea transport operations. Provides shipping intelligence service.

2-19 Accidents Investigation Branch **SM**

The investigation, in the United Kingdom, of accidents in which any civil aircraft are involved and participation in other administrations' investigations elsewhere of accidents to British registered or manufactured aircraft. Reports direct to the Secretary of State.

2-20 Information

The public presentation of Departmental policies, activities and services through press, radio and TV and all forms of paid publicity. Certain functions (including work on paid publicity, briefing material and publications) are carried out as a common service, under Information Division direction, by sections of the Department of Industry Information Division (page 5).

2-21 Accountancy Services; Economics and Statistics; Establishment; Finance and Economic Appraisal; Industrial and Commercial Policy; Parliamentary Branch; Solicitor's Department

All the above Divisions are provided as common services by the Department of Industry (which see).

The Department of Prices and Consumer Protection

The Department of Prices and Consumer Protection was set up in March 1974, under a Secretary of State, and took over responsibility from the former Department of Trade and Industry for policy on prices and consumer affairs, and from the Ministry of Agriculture, Fisheries and Food for policy on food prices.

Prices

The Department is the focal point for measures to deal with the generality of prices questions. It sponsors the Price Commission and has the principal responsibility for policy over the whole range of retail prices, including food prices, except for those of the nationalised industries. It has overall responsibility for policy on food subsidies, though other Departments undertake the detailed administration.

Consumer Protection

The Department deals with consumer affairs generally and is responsible for policy on fair trading, home and consumer safety, consumer credit, standards, weights and measures, and for monopolies, mergers and restrictive practices. The Director General of Fair Trading is appointed by the Secretary of State.

Secretary of State for Prices and Consumer Protection

Shirley Williams

Consumer protection
Home and consumer safety
Restrictive practices
Monopolies and mergers
Metrication
Consumer credit
National Consumer Council
Nationalised Industry Consumer Councils

Minister of State

Alan Williams

Prices
Food subsidies
Voluntary agreement
Commodity markets

Parliamentary Under-Secretary of State

Robert Maclennan

Department of Prices and Consumer Protection: Headquarters Organisation

Permanent Secretary: K. H. Clucas

The chart is not intended to show the relative status of posts.

Deputy Secretary	Division or Department		Head of Division
J. C. Burgh Prices	Prices Policy 1	PP1	W. Nicoll
	Prices Policy 2	PP2	Mrs. J. M. Archer
W. P. Shovelton Consumer Protection	Fair Trading	FT	C. E. Coffin
	Standards, Weights and Measures	SWM	E. N. Eden
	Consumer Credit Branch	CCB	D. G. Hyde
	Information	Inf	Miss S. Jefferies
	Personnel and General Co-ordinator*		Miss J. Blow

* Miss J. Blow reports direct to Mr. K. H. Clucas

The Department also has responsibility for the work of the Price Commission, the Office of Fair Trading, the Monopolies and Mergers Commission, the Metrication Board, the British Hallmarking Council, the Hearing Aid Council, the National Consumer Council, the Consumer Protection Advisory Committee, and the Nationalised Industry Consumer Councils.

London addresses

Code	Address	Telephone	Telex
V	1 VICTORIA STREET, SW1H 0ET	01-215 7877	27366 and 917929
AB	Abell House, John Islip Street, SW1P 4LN	01-211 3000	
CS	Chapter Street House, 26 Chapter Street, SW1P 4NS	01-834 7032	

Each Divisional entry below includes an address code to indicate its location.

3-1 Prices Policy 1 — V

Policy on price control or supervision for all non-food goods and services (except distribution); prices legislation and overall responsibility for policy relating to the Price Code; focal point for Departmental interest in prices and income policy.

3-2 Prices Policy 2 — V

Policy on distribution and prices and margins in the food industry. Policy and legislation on food subsidies. Implementation, with the Ministry of Agriculture, Fisheries and Food, of food subsidy schemes.

3-3 Fair Trading — V

Monopolies, mergers and restrictive practices (including EEC competition rules). Consumer advice and protection (other than standards, weights and measures, and consumer credit). Safety of consumer goods, including fireworks. Certification trade marks and hall-marking. General liaison with the National Consumer Council, the Office of Fair Trading and the Monopolies and Mergers Commission. Responsibility for the Nationalised Industry Consumer Councils.

3-4 Consumer Credit Branch — V

Implementation of the Consumer Credit Act 1974. Liaison with Consumer Credit Division of Office of Fair Trading. Enforcement of credit control restrictions. Administration of hire purchase legislation.

3-5 Standards, Weights and Measures — AB

Policy on UK and international standards and on quality assurance. British participation in international standards organisations. Government support to the British Standards Institution. Co-ordination of Government policy on metrication and liaison with the Metrication Board.

British Calibration Service — CS

Provides authenticated certification of the accuracy of measuring instruments of all kinds, with traceability of such calibrations to the national standards.

Weights and Measures Services — CS

Provides a technical service to Weights and Measures Authorities and others in discharge of the Department's statutory responsibilities under the Weights and Measures Act 1963.

3-6 Information — V

The Department of Prices and Consumer Protection maintains its own Press Office. Some other information activities are undertaken as a common service by the Department of Industry (which see).

3-7 Accountancy Services; Economics and Statistics; Establishment; Finance and Economic Appraisal; Parliamentary Branch; Solicitor's Department

All the above Divisions are provided as common services by the Department of Industry (which see).

Key to Address Code – above

Index – page 17

Small Firms Information Centres

The Department of Industry has established a chain of 10 Small Firms Information Centres throughout Great Britain. The centres are designed to offer a free signposting service to small firms and people wishing to establish a business and to assist small firms in finding the right sources of help for their problems.

Correspondence should be addressed 'Small Firms Information Centre'.

Birmingham
53 Stephenson Street, Birmingham B2 4DH (021-643 3344, Telex 337919).

Bristol
Colston Centre, Colston Avenue, Bristol BS1 4UB. (0272 294546, Telex 449650).

Cardiff
16 St. David's House, Wood Street, Cardiff CF1 1ER (0222 396116, Telex 497515) – now part of the Welsh Office.

Glasgow
57 Bothwell Street, Glasgow G2 6TU (041-248 6014, Telex 779334) – now part of the Scottish Office.

Leeds
5 Royal Exchange House, City Square, Leeds LS1 5PQ (0532 445151, Telex 557687).

London
65 Buckingham Palace Road, London SW1W 0QX (01-828 2384, Telex 917920).

Luton
35 Wellington Street, Luton LU1 2SB (0582 29215, Telex 826115).

Manchester
Peter House, Oxford Street, Manchester M1 5AN (061-832 5282, Telex 667952).

Newcastle
22 Newgate Shopping Centre, Newcastle upon Tyne NE1 5RH (0632 25353, Telex 537429).

Nottingham
48-50 Maid Marian Way, Nottingham NG1 6GF (0602 49791, Telex 377313).

EEC Information Unit

1 Victoria Street, London SW1H 0ET (01-215 4301).

Associated organisations of the three Departments

British Airports Authority – 2 Buckingham Gate, London SW1E 6JL (01-834 6621, Telex 919039).
British Standards Institution – 2 Park Street, London W1A 2BS (01-629 9000).
British Tourist Authority – 64 St. James's Street, London SW1A 1NF (01-629 9191).
Civil Aviation Authority – Aviation House, 129 Kingsway, London WC2B 6NN (01-405 6922).
Design Council – 28 Haymarket, London SW1Y 4SU (01-839 8000).
English Tourist Board – 4 Grosvenor Gardens, London SW1W 0DU (01-730 3400).
Metrication Board – 22 Kingsway, London WC2B 6LE (01-242 6828).
Monopolies and Mergers Commission – New Court, 48 Carey Street, London WC2A 2JE (01-831 6111).
National Computing Centre – Oxford Road, Manchester M1 7ED (061-228 6333, Telex 668962).
National Research Development Corporation – Kingsgate House, 66-74 Victoria Street, London SW1E 6SL (01-828 3400).
Performing Right Tribunal – Room 105, 25 Southampton Buildings, Chancery Lane, London WC2A 1AY (01-405 8721, ext. 3353).
Price Commission – Neville House, Page Street, London SW1P 4LS (01-222 8020).
The Office of Fair Trading – Chancery House, 53 Chancery Lane, London WC2A 1SP (01-242 2858).

Index

Accidents Investigation Branch (Aviation), 2–18
Accountancy profession, 2–9
Accountancy services, Departmental, 1–23
Aero-engine industry *see* Aircraft industry
Aerospace industry, 1–14
  European Space Documentation Service, 1–18
Agricultural machinery, 1–9
Air transport systems, 1–15
Aircraft
  accident investigation, 2–18
  noise and nuisance, 2–15
(*see also* Aircraft industry; Civil aviation)
Aircraft industry
  acro-engine projects, 1–14, 1–15
  aircraft equipment, 1–14
  Concorde, 1–16
  export promotion, 1–15
  international matters, 1–15
  market assessment, 1–15
  RB211, 1–15
  research, 1–14
  Rolls-Royce (1971) Ltd., 1–15
  Short Brothers and Harland Ltd., 1–15
  structure, 1–15
(*see also* Aerospace industry; Civil aviation)
Airports and aerodromes, 2–15
Anti-dumping policy, 2–7
Assisted areas, 1–1, 1–2
Automation, 1–10
Aviation *see* Civil aviation

Balance of payments statistics and forecasts, 1–25
Bankruptcy, 2–10
Bills, Parliamentary, 1–29
Boat building industry, 1–12
Book publishing, 2–12
British Airports Authority, 2–15, *page* 16
British Airways Board, 2–13
British Calibration Service, 3–5
British Export Marketing Centre, Tokyo, 2–1
British Overseas Trade Board, 2–1, 2–5
'British Shopping Weeks' and store promotions, 2–6
British Standards Institution, 3–5, *page* 16
British Steel Corporation, 1–13
British Tourist Authority, *page* 16
Business Statistics Office, 1–25
Business visitors from overseas, 2–6
Business visits abroad, 2–6

Cable and Wireless Ltd., 1–30
Calibration, 3–5
Capital projects overseas, 2–4
Certification trade marks, 3–3
Chemicals, 1–6
Civil aviation
  Accidents Investigation Branch, 2–18
  aircraft noise and nuisance, 2–15
  British Airways Board, 2–13
  economics and statistics, 1–25
  international relations, 2–14
  security, 2–15
(*see also* Aircraft; Aircraft industry; Airports and aerodromes)
Civil Aviation Authority, 2–13, *page* 16
Civil Aviation Safety Adviser, 2–13
Clothing industry, 1–6
Coastguard, HM, 2–16
Commercial agents, 2–13
Commercial interests of the UK overseas, 2–2
Commercial policy, 1–20
Commercial relations and treaties, 2–2
Commonwealth Air Transport Council, 2–15
Companies Acts, Administration of, 2–9
Companies: Insurance Companies Act, 2–10
Companies Investigation Branch, 2–9
Companies' liquidation, 2–11
Companies Registration Office, 2–9
Companies (Winding-up), 2–11
Company law: EEC questions, 2–9
Competition: EEC rules, 3–3
Components: European Components Service, 2–6
Computer industry, 1–7
Computer-aided Design Centre, 1–19
Concorde, 1–16
Consumer advice and protection, 3–3
  economics and statistics, 1–25
  National Consumer Council, 3–3
Consumer advice and protection—*contd.*
  Nationalised Industry Consumer Councils, 3–3
Consumer credit, 3–4
Consumer goods: safety, 3–3
Copyright, 2–12
Corrosion, 1–10
Cotton textiles, 1–6
Council of Engineering Institutions, 1–18
Credit
  commercial standing of overseas firms, 2–6
  consumer credit, 3–4
  control restrictions, 3–4
  export credit policy, 2–7
  Export Credits Guarantee Department, 2–8
Customs duties, 2–7
Cutlery, 1–11

Data processing (Post Office), 1–30
Depositors, Protection of, 2–9
Design Council, 1–18, *page* 16
Design registrations, 2–12
Distributive trades, 2–13
  economics and statistics, 1–25
Dumping: anti-dumping policy and actions, 2–7

EEC *see* European Economic Community
EEC Information Unit, 1–24, *page* 16
Economic and statistical services, 1–25
Economic appraisal, 1–27
Economic policy, 1–21, 1–25
Electrical engineering industry, 1–10
Electronics industry, 1–7
Employment: EEC qualifications, 1–18
English Industrial Estates Corporation, 1–2
English Tourist Board, *page* 16
Establishment Divisions, 1–26
Estimates, Departmental, 1–27
Europe: industrial and technological relations, 2–3
European Civil Aviation Conference, 2–14
European Components Service, 2–6
European Economic Community
  company law, 2–9
  competition rules, 3–3
  EEC Information Unit, 1–24, *page* 16
  employment qualifications, 1–18
  industrial and technological aspects, 2–3
  insolvency legislation, 2–11
  insurance industry, 2–10
  posts and telecommunications, 1–30
  regional policy, 1–1
European Space Agency, 1–14
European Space Documentation Service, 1–18
Export clubs: liaison, 2–6
Export credit policy, 2–7
Export Credits Guarantee Department, 2–8
Export Data Branch, 2–6
Export development, 2–5
Export finance, 2–7
Export Intelligence Service, 2–6
Export Licensing Branch, 2–5
Export Marketing Research Scheme, 2–6
Export promotion
  British Overseas Trade Board, 2–1, 2–5
  business visitors from overseas, 2–6
  business visits abroad, 2–6
  civil aircraft and aero-engines, 1–15
  education and training, 2–5
  export services and promotions, 2–6
  Exports to Japan Unit, 2–1
  Hints to Businessmen, 2–6
  major contracts overseas, 2–4
  overseas market prospects, 2–6
  Statistics and Market Intelligence Library, 1–26
  Technical Help to Exporters, 2–6
  trade contacts overseas, 2–6
  trade missions, 2–6
Exports to Japan Unit, 2–1

Factories: building and leasing, 1–2
Fair trading, 3–3
  Office of Fair Trading, *page* 16
Fairs and Promotions Branch, 2–6
Fertilisers, 1–6
Film industry, 2–13
Financial policy and control, 1–27
Fireworks: safety, 3–3
Food prices policy, 3–2
Footwear, 1–6
Foundry industry, 1–13
Fraud prevention: investments, 2–9
Furniture industry, 1–11

General Agreement on Tariffs and Trade: general policy, 2–2
Giro, 1–30
Glass industry, 1–11
Government Chemist, Laboratory of, 1–19

Hallmarking, 3–3
Hints to Businessmen, 2–6
Hire purchase, 3–4
Honours, 1–26
Hovercraft, 1–12

ICAO *see* International Civil Aviation Organisation
IMCO *see* Inter-governmental Maritime Consultative Organisation
Import duties, 2–7
Import finance, 2–7
Import licensing, 2–7
Import regulations, Overseas, 2–6
Import saving policies, 2–7
Incomes, 3–1
Industrial Advisers, 1–20
Industrial Development Act, 1–3
Industrial Development Certificates, 1–2
Industrial Development Unit, 1–5
Industrial Estates Corporation, English, 1–2
Industrial planning, 1–22
Industrial policy, 1–21
Industrial property, 2–12
Industrial technologies, 1–10, 1–18
Industry
  advice on membership of the European Communities, 2–3
  economics and statistics, 1–25
  financial assistance, 1–2, 1–5
  Queen's Award, 1–18, 2–5
  R & D information service, 1–18
  regional development, 1–3
  small firms, 1–4
  Small Firms Information Centres, 1–4, *page* 16
Industry Act 1972, 1–2, 1–5, 1–22
  assistance to shipbuilding firms, 1–12
Information services
  common services, 1–24
  Industry, 1–24
  Prices and Consumer Protection, 3–6
  Trade, 2–19
Insolvency Service, 2–11
Insurance industry, 2–10
Insurance of export credits and overseas investments, 2–8
Inter-governmental Maritime Consultative Organisation, 2–18
International Civil Aviation Organisation, 2–15
International Technological Collaboration Unit, 2–2
International Telecommunications Union, 1–30
International trade relations, 2–2
Investment grants, 1–3
Investment grant offices, *page* 9
Investments
  British Steel Corporation, 1–13
  fraud prevention, 2–8
  insurance against political risks overseas, 2–8
  inward investment, 1–2
  Post Office, 1–30
  shipping investment incentives, 2–17
Inward missions, 2–6
Iron and steel industry, 1–13

Japan
  British Export Marketing Centre, 2–1
  Exports to Japan Unit, 2–1

Laboratory of the Government Chemist, 1–19
Leather industry, 1–6
Legal matters, 1–28, 1–29
Libraries, 1–26
Liquidation of companies, 2–11
Local Employment Act 1972, 1–2

Machine tool industry, 1–8

Man-made fibres, 1–6
Management, Departmental
  accountancy services, 1–23
  economic and statistical services, 1–25
  estimates, 1–27
  financial management, 1–27
  general services, 1–26
  information services, 1–24, 2–19, 3–6
  organisation, 1–26
  staff management, 1–26
Manufacturing machinery, 1–8
Marine equipment industries, 1–12
Marine pollution, 2–17
Marine safety, 2–17
Marine search and rescue, 2–17
Marine Survey Service, 2–17
Marine technology, 1–17
Marketing
  assistance to exporters, 2–6
  Statistics and Market Intelligence Library, 1–26
Materials research, 1–17
Mechanical engineering industries, 1–8
Mechanical handling, 1–10
Medicines, Proprietary, 1–6
Mercantile Marine Offices, 2–17
Merchant seamen, 2–17
Merchant shipping *see* Shipping
Mergers, 3–3
Metals, Non-ferrous, 1–10
Metrication, 3–5
Metrication Board, 3–5, *page* 16
Minerals, 1–10
Mining machinery, 1–8
Monopolies, 3–3
Monopolies and Mergers Commission, 3–3, *page* 16
Motor industry, 1–9

National Computing Centre, 1–18, *page* 16
National Consumer Council, 3–3
National Engineering Laboratory, 1–19
National Enterprise Board, 1–22
National Physical Laboratory, 1–19
National Research Development Corporation, 1–18, *page* 16
Nationalised Industry Consumer Councils, 3–3
Navigational Aids, Marine, 2–17
Newspaper industry, 2–13

OECD *see* Organisation for Economic Co-operation and Development
Office of Fair Trading, *page* 16
Official Receivers, 2–11
Oil pollution at sea, 2–17
Organisation for Economic Co-operation and Development
  insurance industry, 2–10
  shipping, 2–18
Outward mission scheme, 2–6
Overseas aid, 2–5
Overseas commercial interests of the UK, 2–2
Overseas contracts, 2–4
Overseas firms' commercial standing, 2–6
Overseas investments, 2–8
Overseas Projects Group, 2–4
Overseas science and technology, 1–18
Overseas tariffs and import regulations, 2–6
Overseas trade: statistics and forecasts, 1–25
Overseas trade fairs, 2–6

Paper industry, 1–11
Parliamentary Branch, 1–29
Parliamentary Commissioner for Administration cases, 1–26
Patent Office, 2–11
Performing Right Tribunal, *page* 16
Pesticide Residue Analysis Information Service, 1–19
Plant: process plant engineering and contracting, 1–10
Plastics, 1–6
Pollution
  aircraft noise and nuisance, 2–16
  oil pollution at sea, 2–17
Posts and telecommunications, 1–30
Pottery industry, 1–11
Price Code, 3–1
  economics and statistics, 1–25
Price Commission, *page* 16
Prices, 3–1, 3–2
Printing industry, 2–13
Process plant engineering and contracting industries, 1–9
Professional institutions, 1–18
Prosecutions, 1–28
Public appointments, 1–26
Public sector purchasing, Export implications of, 2–5
Publicity, 1–24, 2–20
Publishing industry, 2–13

Queen's Award to Industry, 1–18, 2–4

Race Relations Board cases, 1–26
Regional and District Offices, *pages* 6 *to* 8
Regional development grants, 1–3
Regional development offices, *page* 9
Regional industrial development, 1–1
Regional industrial finance, 1–2
Regional policies: economics and statistics, 1–25
Registry of Shipping, 2–17
Research
  aviation and aerospace, 1–14
  economics and statistics, 1–25
  marine technology, 1–17
  materials, 1–17
  National Research Development Corporation, 1–8, *page* 16
  public sector contractors, 1–18
  Requirements Boards, 1–17
Research establishments, 1–19
Restrictive trade practices, 3–3
Rolls-Royce (1971) Ltd., 1–15
Rubber, 1–6

Safety
  aviation, 2–14, 2–18
  consumer goods, 3–3
  fireworks, 3–3
  marine, 2–17
Scientific instruments, 1–7
Scottish Economic Planning Department, *pages* 6, 8
Sea transport of government cargo, 2–18
Seafarers, 2–17
Search and rescue at sea, 2–17
Security: civil aviation, 2–16
Service trades, 2–13
Shipbuilding and ship-repairing industries, 1–12
Shipowners' liability, 2–18
Shipping
  commercial and international relations, 2–18
  construction and equipment, 2–17
  crew matters, 2–17
  defence considerations, 2–18
  economics and statistics, 1–25
  government cargo, 2–18
Shipping—*continued*
  investment incentives, 2–18
  law of the sea, 2–18
  policy on UK fleet, 2–18
  Registry of Shipping, 2–17
  safety, 2–17
  shipping intelligence service, 2–18
Short Brothers and Harland Ltd., 1–15
Small firms, 1–4
Small Firms Information Centres, 1–4, *page* 16
Solicitor's Department, 1–28
Space industry *see* Aerospace industry
Staff management, 1–26
Standards, 3–5
Statistical services, 1–25
Statistics and Market Intelligence Library, 1–26
Steel industry, 1–13
Store promotions overseas, 2–6
Synthetic fibres, 1–6

Tariffs
  General Agreement on Tariffs and Trade, 2–2
  overseas tariffs, 2–6
  UK transitional protective tariff, 2–6
'Techlink', 1–18
Technical Help to Exporters, 2–5
Technical information services, 1–18
Technology
  EEC membership, 2–3
  European collaboration, 2–3
  industrial technologies, 1–10, 1–18
  International Technological Collaboration Unit, 2–2
  marine technology, 1–17
  materials technology, 1–17
  Queen's Award to Industry, 1–18, 2–5
  technological manpower, 1–18
  transfer to industry, 1–18
Technology Reports Centre, 1–18
Telecommunications, 1–7, 1–30
Terotechnology, 1–10
Textiles, 1–6
Timber industry, 1–11
Tobacco industry, 1–6
Toiletries, 1–6
Tourism, 2–13
  British Tourist Authority, *page* 16
  English Tourist Board, *page* 16
Trade, Overseas: statistics and forecasts, 1–25
Trade agreements with other countries, 2–2
Trade and Industry, 1–24
Trade fairs, 2–6
Trade marks
  certification, 3–3
  registration, 2–12
Trade missions, 2–6
Trading: fair trading, 3–3
Treaties, Commercial, 2–2
Tribology, 1–10

Unit trusts, 2–9
United Nations Conference on Trade and Development
  commercial relations and exports, 2–2
  insurance industry, 2–10
  shipping, 2–18
Universal Postal Union, 1–30

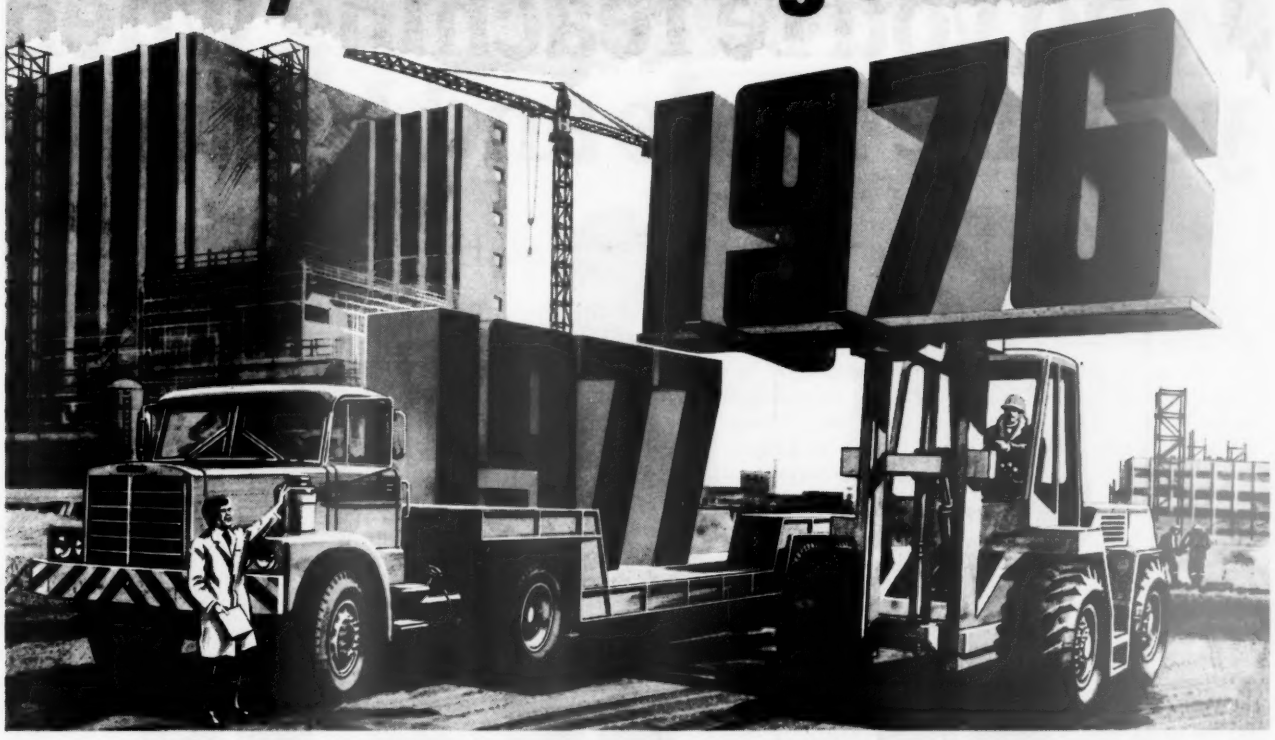
Warren Spring Laboratory, 1–19
Weights and measures, 3–5
Welding machinery, 1–8
Welsh Office Industrial Department, *pages* 6, 8
Wool textiles, 1–6

Do you use statistics?

The Government Statistical Service (GSS) prepares a wide range of reliable and detailed figures on the United Kingdom. It is usually worth checking to see if what you want is available from them. You can see many government statistical publications at your local public library, buy them from HMSO or refer to the comprehensive collection held at the Statistics and Market Intelligence Library, Export House, 50 Ludgate Hill, London EC4N 7HU (tel. 01-248 5757 ext. 368).

A free pamphlet, *Government Statistics – a brief guide to sources*, gives up-to-date contact points in Departments for further information. You can obtain copies from regional offices of the Department of Industry or by writing to the Central Statistical Office Press and Information Service, Great George Street, London SW1P 3AQ.

They'll be arriving on time



How about your expansion plans?

It takes time to turn expansion plans into sites, new factories, plant and machinery, and *now* is the time to make a start.

Start by considering the Areas for Expansion and you'll find out just how much help you can get. Because in the Areas, we can help with cash, expert advice and the space for efficient expansion.

Help that can turn your plans into reality.

WHY THE AREAS FOR EXPANSION MEAN A BRIGHTER FUTURE

Expansion in the Areas will mean you'll qualify for substantial financial help. There are grants of up to 22% on new buildings, plant and machinery, interest relief grants or loans on concessionary terms.

This help applies to businesses expanding in the Areas for Expansion, just as it does to firms moving into an Area. These may qualify for substantial help towards their removal costs.

For a quick start the Areas have ready-built factories. There are also many sites for purpose-built premises to meet your specific needs.

There's a wide choice of locations too, served by a comprehensive transport network, so you can decide which one meets the requirements of all your markets.

You'll find the Areas for Expansion really do offer you a wide range of opportunities.

HOW OUR EXPERTS CAN HELP YOU PLAN AHEAD

Preparing to expand needs practical help; and our Industrial Expansion Teams are ready to give you that help.

Because of their extensive local knowledge, they can help you find the best location and also help you avoid mistakes that could prove expensive later.

They'll discuss your plans in detail, show you round the Area you choose, and help arrange the financial assistance.

This service is free and confidential.

A PLACE FOR YOUR FAMILY

When you start thinking about a move to another part of the country, you will be choosing a new home and a new environment for your family. The Areas for Expansion can offer: a wide variety of housing, good shopping centres, first class education facilities, excellent leisure opportunities in areas of outstanding beauty; in fact meeting family needs for all your family.

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Company offices, research and development units and service industry undertakings can also benefit from a move into the Areas for Expansion.

They can get up to five years rent-free office space, and generous removal grants.

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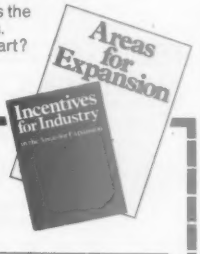

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South West. Tel: Plymouth 21891 (STD code 0752) or Bristol 291071 (STD code 0272)

London & South East. London, tel: 01-212 6343

Eastern Region. London, tel: 01-212 0289

Northern Ireland. Tel: Belfast 34488 (STD code 0232) or London 01-493 0601

To: The Industrial Expansion Team, Department of Industry, Millbank Tower, Millbank, London SW1P 4QU

Please send me full details of the benefits available in the Areas for Expansion

Name_____

Position in Company_____

Company_____

Nature of Business_____

Address_____

The Areas for Expansion

TI 11/7 6

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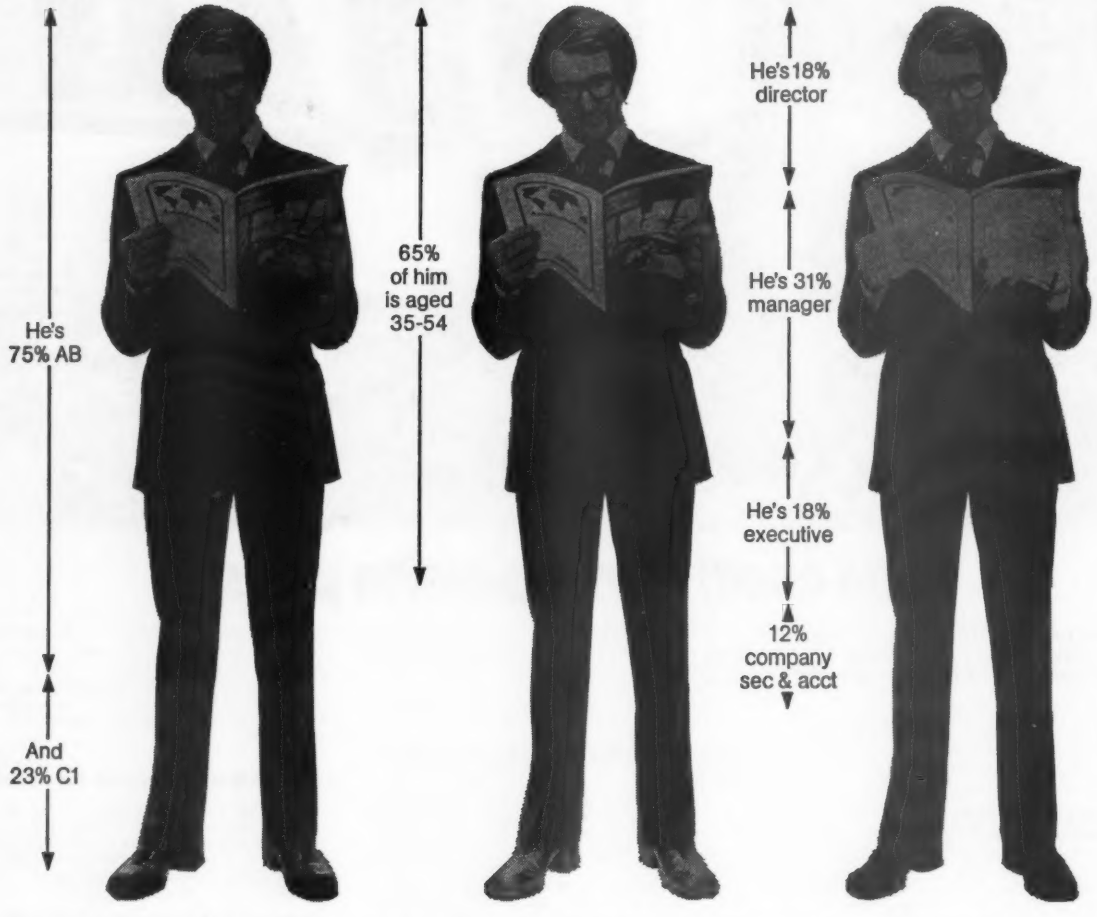

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Trade Information

Notices to Importers

Issued by the Department of Trade, Import Licensing Branch, Sanctuary Buildings, 20 Great Smith Street, London SW1P 3DB.

No. 1495: Imports of certain wild animals

The Animals (Restriction of Importation) Order 1975, which comes into operation on 18 July 1975, extends the scope of the Animals (Restriction of Importation) Act 1964 to include the families Alligatoridae (Alligators and Caimans), Crocodylidae (Crocodiles), Gavialidae (Gavials) and Emydidae (Terrapins). As from that date a licence issued by the Department of Trade will be required for the import of these animals.

Not all species of these animals are considered to be in need of conservation at the present time, and following existing practice they have been divided into two categories, as shown in the Annex to this Notice, which lists all animals controlled under the Act. List 1 consists of species in need of immediate protection. Applications to import List 1 animals will be referred for consideration to the Advisory Committee established under the Act. The Committee will normally be prepared to recommend the grant of a licence only for special purposes, eg for breeding or research. Licences for List 2 animals will normally be issued on application.

For general information, from 18 July 1975 the following families will be subject to the Animals (Restriction of Importation) Act 1964:

MARSUPIALS	Dasyuridae	(Marsupial mice, dasyures, thylacines and marsupial anteaters)
	Macropodidae	(Kangaroos and wallabies)
	Peramelidae	(Bandicoots)
	Phalangeridae	(Cuscuses, koalas and phalangers)
	Phascolomidae	(Wombats)
PRIMATES	Callithricidae	(Marmosets and tamarins)
	Cebidae	(New World monkeys)
	Cercopithecidae	(Old World monkeys)
	Daubentoniidae	(Aye-aye)
	Indriidae	(Indrises and sifakas)
	Lemuridae	(Lemurs)
	Pongidae	(Gibbons and great apes)
	Tarsiidae	(Tarsiers)
CARNIVORES	Felidae	(Cats)
ODD-TOED UNGULATES	Rhinocerotidae	(Rhinoceros)
	Tapiridae	(Tapirs)
REPTILES	Alligatoridae	(Alligators and caimans)
	Crocodylidae	(Crocodiles)
	Emydidae	(Terrapins)
	Gavialidae	(Gavials)
	Iguanidae	(Iguanas)
	Sphenodontidae	(Tuatara)
	Testudinidae	(Tortoises)

Applications for licences

No purchase should be made of any animals from any of the families referred to in this Notice until an import licence has been applied for and approved.

All applications for licences should be made on form ILB/B and sent to the Department of Trade, Import Licensing Branch, Sanctuary Buildings, 20 Great Smith Street, London SW1P 3DB. Particular care should be taken to ensure that the full scientific names of the animals are given and that the purpose for which they are required is stated in detail. A separate licence will be required for each consignment.

It is important to note that an import licence issued by the Ministry of Agriculture, Fisheries and Food under Animal Health Regulations is necessary, in addition to the import licence issued by the Department of Trade, for certain of the animals (including all the mammals) shown in the Annex to this Notice. Inquiries should be addressed to:

The Ministry of Agriculture, Fisheries and Food
Animal Health Division
Hook Rise South
Tolworth, Surbiton, Surrey.
Tel. 01-337 6611

WARNING. Importers are reminded that if a person who is in possession or has control of an imported live animal of a kind for the time being specified in the Schedule to the Animals (Restriction of Importation) Act 1964 cannot prove to the satisfaction of the Commissioners of Customs and Excise that the importation of the animal is or was not unlawful, the animal is liable to forfeiture.

Note: The lists of animals referred to in this Notice and Annex are liable to amendment without notice.

Inquiries about the import licencing arrangements set out in this Notice: 01-215 5549/5502.

Annex to Notice to Importers No. 1495

Animals (Restriction of Importation) Act 1964

SCHEDULED SPECIES

FAMILY: DASYURIDAE (Marsupial mice, daysures, thylacines and marsupial anteaters)
List 1

Antechinomys laniger	Dasycerus blythi	Planigale ingrami
Antechinomys spenceri	Dasyurinus geoffroii	Planigale tenuirostris
Antechinus flavipes	Dasyuroides byrnei	Planigale subtilissima
Antechinus godmani	Dasyurops maculatus	Planigale novaeguineae
Antechinus bellus	Dasyurops gracilis	Sarcophilus harrisii
Antechinus swainsoni	Dasyurus quoll	Satanellus hallucatus
Antechinus minimus	Murexia longicaudata	Satanellus albopunctatus
Antechinus maculatus	Murexia rothschildi	Sminthopsis crassicaudata
Antechinus bilarni	Myoictis melas	Sminthopsis granulipes
Antechinus macdonnellensis	Myrmecobius fasciatus	Sminthopsis macrura
Antechinus mimulus	Myrmecobius rufus	Sminthopsis stalkeri
Antechinus apicalis	Neophascogale lorentzi	Sminthopsis murina
Antechinus melanurus	Phascogale tapoatafa	Sminthopsis longicaudata
Antechinus naso	Phascogale calura	Sminthopsis lumholtzi
Antechinus wilhalmina	Phascolosorex doriae	Sminthopsis hirtipes
Dasycerus cristicauda	Phascolosorex dorsalis	Sminthopsis refigenis
		Thylacinus cynocephalus

FAMILY: MACROPODIDAE (Kangaroos and wallabies)
List 1

Aepyprymnus rufescens	Lagorchestes leporides	Petrogale xanthopus
Bettongia penicillata	Lagorchestes conspicillatus	Petrogale pearsoni
Bettongia lesueur	Lagorchestes hirsutus	Potorous tridactylus
Bettongia cuniculus	Lagorchestes asomatus	Potorous gilberti
Caloprymnus campestris	Lagostrophus fasciatus	Potorous platyops
Dendrolagus lumholtzi	Macropus robustus	Setonix brachyurus
Dendrolagus bennettianus	Macropus rufus	Protemnodon [Thylogale] stignatica
Dendrolagus matschiei	Macropus canguru	Protemnodon [Thylogale] thetis
Dendrolagus goodfellowi	Onychogalea unguifer	Protemnodon [Thylogale] billardierii
Dendrolagus dorianus	Onychogalea fraenata	Protemnodon [Thylogale] parma
Dendrolagus spadix	Onychogalea lunata	Protemnodon [Thylogale] eugenii

Dendrolagus deltae
Dendrolagus inustus
Dendrolagus ursinus
Dorcopsis mulleri
Dorcopsis hageni
Dorcopsulus macleayi
Dorcopsulus vanheurni
Hypsiprymnodon moschatus
Peradorcas concinna
Petrogale penicillata
Petrogale inornata
Petrogale longmani
Petrogale wilkinsi
Petrogale brachyotis
Petrogale rothschildi
Protemnodon [Thylogale] bruijni
Protemnodon [Wallabia] agilis
Protemnodon [Wallabia] bicolor
Protemnodon [Wallabia] rufogrisea
Protemnodon [Wallabia] dorsalis
Protemnodon [Wallabia] elegans
Protemnodon [Wallabia] irma

FAMILY: PERAMELIDAE (Bandicoots)
List 1
Chaeropus ecaudatus
Echymipera clara
Echymipera kalubu
Echymipera rufescens
Isoodon [Thylacis] obesulus
Isoodon [Thylacis] barrowensis
Isoodon [Thylacis] macrourus
Macrotis lagotis
Macrotis minor
Macrotis leucura
Microperoryctes murina
Perameles nasuta
Perameles eremiana
Perameles fasciata
Perameles gunni
Perameles bougainvillei
Peroryctes raffrayanus
Peroryctes longicauda
Peroryctes papuensis
Rhynchomeles prattorum

FAMILY: PHALANGERIDAE (Cuscuses, koalas and phalangers)
List 1
Acrobates pygmaeus
Acrobates pulchellus
Cercartetus nanus
Cercartetus concinnus
Dactylonax palaptor
Dactylopsila picata
Dactylopsila trivirgata
Dactylopsila megalura
Dactylopsila tatei
Distoechurus pennatus
Eudromicia macrura
Eudromicia lepida
Eudromicia caudata
Gymnobelideus leadbeateri
Hemibelideus lemuroides
Petaurus australis
Petaurus norfolcensis
Petaurus breviceps
Petropsuedes dahli
Phalanger orientalis
Phalanger maculatus
Phalanger atrimaculatus
Phalanger celebensis
Phalanger gymnotis
Phalanger vestitus
Phalanger ursinus
Phascolarctos cinereus
Pseudocheirus peregrinus
Pseudocheirus rubidus
Pseudocheirus laniginosus
Pseudocheirus occidentalis
Pseudocheirus convolutor
Pseudocheirus herbertensis
Pseudocheirus caroli
Pseudocheirus forbesi
Pseudocheirus schlegeli
Pseudocheirus mayeri
Pseudocheirus canescens
Pseudochirops albertisi
Pseudochirops corinnae
Pseudochirops cupreus
Pseudochirops archeri
Schoinobates volans
Tarsipes spenserae
Trichosurus vulpecula
Trichosurus caninus
Trichosurus fuliginosus
Wyulda squamicaudata

FAMILY: PHASCOLOMIDAE [Vombatidae] (Wombats)
List 1
Lasiorhinus latifrons
Phascolomis [Vombatus] ursinus

FAMILY: LEMURIDAE (Lemurs)
List 1
Cheirogaleus trichotis
Cheirogaleus major
Cheirogaleus medius
Hapalemur griseus
Hapalemur simus
Lemur catta
Lemur variegatus
Lemur macaco
Lemur fulvus
Lemur mongoz
Lemur rubriventer
Lepilemur mustelinus
Lepilemur ruficaudatus
Microcebus murinus
Microcebus coquereli
Phaner furcifer

FAMILY: INDRIIDAE (Indrises and sifakas)
List 1
Avahi laniger
Indri indri
Propithecus diadema
Propithecus verreauxi

FAMILY: DAUBENTONIIDAE (Aye-aye)
List 1
Daubentonia madagascariensis

FAMILY: TARSIIDAE (Tarsiers)
List 2
Tarsius syrichta
Tarsius bancanus
Tarsius spectrum

FAMILY: CEBIDAE (New World monkeys)
List 1
Brachyteles arachnoides
List 2
All species other than those included in List 1

FAMILY: CALLITHRICIDAE (Marmosets and tamarins)
List 1
Leontideus [Leontocebus] rosalia
Leontocebus [Tamarinus] imperator
List 2
All species other than those included in List 1

FAMILY: CERCOPITHECIDAE (Old World monkeys)
List 1
Cercocebus galeritus
Colobus badius
Rhinopithecus roxellanae
Macaca sylvana
Nasalis larvatus
Pygathrix nemaeus
List 2
All species other than those included in List 1

FAMILY: PONGIDAE (Gibbons and great apes)
List 1
Gorilla gorilla
Hylobates moloch
Hylobates agilis
Hylobates lar
Hylobates hoolock
Hylobates concolor
Hylobates [Symphalangus] klossi
Hylobates [Symphalangus] syndactylus
Pan troglodytes [satyrus]
Pan paniscus
Pongo pygmaeus

FAMILY: FELIDAE (Cats)
List 1
Acinonyx jubatus
Felis caracal
Felis concolor
Felis lynx
Felis pardalis
Felis serval
Neofelis nebulosa
Panthera leo persica
Panthera pardus
Panthera tigris
Panthera uncia
Panthera onca
List 2
All species other than those included in List 1 and Felis catus

FAMILY: RHINOCEROTIDAE (Rhinoceros)
List 1
Diceros [Ceratotherium] simus
Dicerorhinus sumatrensis
Diceros bicornis
Rhinoceros unicornis
Rhinoceros sondaicus

FAMILY: TAPIRIDAE (Tapirs)
List 1
Tapirus bairdi
Tapirus indicus
Tapirus pinchaque
Tapirus terrestris
List 2

FAMILY: ALLIGATORIDAE (Alligators and caimans)
Alligator mississippiensis
Alligator sinensis
Caiman crocodilus crocodilus
Caiman crocodilus apaporiensis
Caiman crocodilus fuscus
Caiman crocodilus yacare
Caiman latirostris
Melanosuchus niger
Paleosuchus palpebrosus
Paleosuchus trigonatus

FAMILY: CROCODYLIDAE (Crocodiles)
List 1
Crocodylus acutus
Crocodylus cataphractus
Crocodylus intermedius
Crocodylus johnsoni
Crocodylus moreletii
Crocodylus niloticus
Crocodylus novaeguineae
Crocodylus palustris palustris
Crocodylus palustris kumbula
Crocodylus porosus
Crocodylus rhombifer
Crocodylus siamensis
Osteolaemus tetraspis tetraspis
Osteolaemus tetraspis osborni
Tomistoma schlegelii

FAMILY: GAVIALIDAE (Gavial)
List 1
Gavialis gangeticus

FAMILY: EMYDIDAE (Terrapins)
List 2
All species

FAMILY: TESTUDINIDAE (Tortoises)
List 1
Testudo [Geochelone] elephantopus
Testudo [Geochelone] gigantea
List 2
All other species

FAMILY: SPHENODONTIDAE (Tuatara)
List 1
Sphenodon punctatus

FAMILY: IGUANIDAE (Iguanas)
List 1
Amblyrhynchus cristatus
Anisolepis grilli
Anisolepis undulatus
Aptychlaemus longicauda
Brachylophus brevicephalus
Brachylophus fasciatus
Chalarondon madagascariensis
Conolophus subcristatus
Condophus pallidas
Cyclura baeolopha
Cyclura carinata
Cyclura collei
Cyclura cornuta
Cyclura inornata
cyclura macleayi
Cyclura mattea
Cyclura nigerrima
Cyclura muchalis
Cyclura pinguis
Cyclura portoricensis
Cyclura ricordii
Cyclura rileyi
Cyclura stejnegeri
Oplurus cuvieri
Oplurus cyclurus
Oplurus fierinensis
Oplurus grandidieri
Oplurus quadrimaculatus
Oplurus saxicola
Phrynosaura marmorata
Phrynosaura reichei
Phrynosaura werneri
Strobilurus torquatus
List 2
All species other than those in List 1

JAPAN DISSATISFIED WITH THE LIMITED RESULTS ACHIEVED THROUGH AGENTS AND DISTRIBUTORS?

EXCELLENT OPPORTUNITIES await enterprising British manufacturers in the form of joint venture operations, wholly owned subsidiaries, branch sales operations and technological licence agreements in Japan. But in order to ensure that the best possible advantage is taken of such opportunities, it is absolutely essential to appoint a local representative possessing the necessary expertise and connections to act on your behalf. As Advisers and Consultants with years of experience of negotiations with the Japanese in the above sectors, we are pleased to offer our specialised services, which also include market research.

Mr. Rock from our Tokyo office is now stationed in the U.K. He may be reached by telephone at Poole 79820, day or night, and is available for consultations with clients on the spot whenever necessary.

G. INOUYE, Managing Director
RAYDEN (JAPAN) LTD, Shokin Building, 11-12, 9-chome, Ginza, Chuo-ku, Tokyo, Japan. Tel: 571-8023/5. Telex: J26847 (Raydenco).
Cables: Raydenco, TOKYO

Import duties – temporary reductions and exemptions

The Treasury has made the following Import Duties Orders which came into effect on 1 July 1975:

The Import Duties (Temporary Reductions and Exemptions) (No. 8) Order 1975. This Order amends the Import Duties (Temporary Reductions and Exemptions) (No. 21) Order by bringing into operation suspension of duty on further items for use in the manufacture or repair of certain aircraft and is published as Statutory Instrument 1975 No. 972.

The Import Duties (Temporary Reductions and Exemptions) (No. 9) Order 1975. This Order provides for exemption from or reduction in import duty in the case of goods of a description listed in Schedule 1 up to and including 31 December 1975 or such earlier dates as are specified. In addition, exemption from import duty is also conferred on goods originating in Greece which are shown in the Schedules to various Import Duties (Temporary Reductions and Exemptions) Orders listed in Schedule 2. The Order is published as Statutory Instrument 1975 No. 973.

The Import Duties (Temporary Reductions and Exemptions) (No. 10) Order 1975. This Order implements in the United Kingdom Tariff the suspensions of or reductions in the Common Customs Tariff in respect of the goods described in the Schedules thereto up to and including 31 December 1975. The Order also provides for continued reductions of duties in respect of certain lead and zinc up to and including 31 December 1975. The Order is published as Statutory Instrument 1975 No. 1065.

The Import Duties (Temporary Reductions and Exemptions) (No. 11) Order 1975. This Order provides for exemption from import duty on goods orginating in Israel which are shown in the Schedules to various Import Duties (Temporary Reductions and Exemptions) Orders listed therein. In addition, exemption from import duty is conferred on Flax sliver imported from EEC sources up to and including 1 September 1975. The Order is published as Statutory Instrument 1975 No. 1066.

ECGD News

Multi-million pound finance for deep-water drill ship

The Export Credits Guarantee Department has guaranteed a £26.4 million loan to help finance the construction of a dynamically positioned deep-water drill ship. The loan has been arranged by Hambros Bank Ltd. on behalf of The Royal Bank of Scotland Ltd. and Bank of Scotland.

The contract for the ship was awarded to Scotts' Shipbuilding Co. Ltd., of Greenock, by Pacnorse Drilling Corporation 1, Liberia, a subsidiary of Pacific Norse Shipping Ltd. (Bermuda); Santa Fe International Corporation (USA) also have an interest and are providing the drilling expertise.

The ship of 7,400 tons will be capable of drilling for oil or minerals in up to 3,000 ft. depth of water where physical anchorage is impossible. It will be kept in position by a series of computer-controlled transverse thrusters and its twin-screw propulsion. Delivery is scheduled for early in 1977.

Sparking plug equipment for USSR

The Export Credits Guarantee Department has guaranteed a £2.4 million loan which Lloyds Bank Ltd. have made available to Vneshtorgbank (The Bank of Foreign Trade of the USSR).

The loan will help finance a contract which Smiths Industries Ltd. of London have with Avtopromimport for the supply of machinery and equipment to manufacture spark plug insulators.

The machinery is to be installed in two factories one located at Engels about 500 miles south east of Moscow and the other at Ufa in the South Urals about 1,100 miles due east of Moscow. Commissioning of the plant is scheduled for late 1977.

This is the first agreement to be concluded under the Anglo-Soviet Credit Agreement announced in February this year.

Polyester factory for Spain

The Export Credits Guarantee Department has guaranteed a £6.8 million loan which Lloyds Bank International Ltd. have made available to Nurel SA, Spain, on behalf of Lloyds Bank Ltd.

The loan will help finance a contract won by Simon Carves Ltd., of Stockport, to supply equipment for a polyester factory being built at Zaragoza. Delivery of the equipment is scheduled for completion early in 1976.

Secondhand cargo vessel for Yugoslavia

The Export Credits Guarantee Department has guaranteed a £1 million loan to help finance the sale of the cargo vessel MV *Lyminge* tdw 7,290 by Constants Ltd. of London to Slobodna Plovidba, Yugoslavia. Finance for the loan was arranged by Hill Samuel and Co. Ltd. acting on behalf of Lloyds Bank Ltd.

The vessel was built by Caledon Shipbuilding and Engineering Co. Ltd. of Dundee in 1967.

Hints to business men booklets

A revised edition of the booklet on Canada has been published in the 'Hints to Business Men' series. British business men who intend visiting this country on export business can obtain copies of the booklet from Export Services and Promotions Division, Department of Trade, Room D 05-09, Export House, 50 Ludgate Hill, London EC4M 7HU, tel: 01-248 5757, ext. 7146, or any Regional Office of the Department of Industry.

Tariff and Trade Notices

Iceland

Sales tax exemptions. The Icelandic Ministry of Finance have announced exemptions from sales tax (for both imported and home produced goods) from 1 May 1975 on the following goods only.

BTN	Description of goods
07.01.20	Tomatoes
07.01.31	Onions
07.01.39	Other fresh vegetables
08.01.10	Fresh bananas
08.01.30	Miscellaneous fresh fruit
08.02.10	Oranges, tangerines, mandarins and clementines
08.02.21	Lemons
08.02.21	Other citrus fruits
08.03.10	Fresh figs
08.04.10	Fresh grapes
08.05.00	Fresh nuts
08.06.10	Apples
08.06.20	Pears
08.07.00	Plums, etc.
08.08.00	Fresh berry fruits
08.09.01	Melons
08.09.09	Other fresh fruits
09.01.11	Coffee in consumer packs
09.01.12	Coffee in other packs
09.02.00	Tea
18.05.01	Cocoa powder unsweetened in consumer packs
18.05.09	Cocoa powder unsweetened in other packs
18.06.01	Cocoa powder sweetened
19.07.00	Bread and other common cereal products without the addition of sugar, honey, eggs, fat, cheese or fruit
19.08.00	Cakes, biscuits and other major cereal products also with cocoa added provided the chocolate content is less than 30% by weight

Inquiries to OTAR ext. 458/461.

Italy

Certificates of origin for slide fasteners. In compliance with Regulation (EEC) No. 646/75 of 13 March 1975 establishing Community surveillance on imports of slide fasteners, the Italian Ministry of Foreign Trade has issued Circular No. 19/75 of 28 April 1975 stating that from 1 May 1975 certificates of origin are required for slide fasteners (tariff no. 98.02) imported into Italy. Inquiries: OTAR ext. 466/467/288.

France

Coding of food additives. A circular in the French *Journal Officiel* of 1 June 1975, lists the coding number to be used on prepacked goods, for identification purposes of food additives in the following categories: colourants, preservatives, antioxygens and emulsifying, thickening and jellifying agents. Substances not included on the lists may be given their usual chemical appellation. The use of the former EEC numbering for emulsifying, thickening and jellifying agents, may be continued until 1 June 1976.

Additives cannot be used in all foodstuffs. The user must consult the French regulations which lay down the conditions and amounts permitted, as well as the specifications relating to purity and other characteristics.

Copies of the French text can be sent on request or seen at Export House. Inquiries: OTAR ext. 423/408/482.

Definition of aromatic substances. An *arrêté* in the French *Journal Officiel* of 27 May 1975 sets out the definition and classification of natural and synthetic aromatic substances and mixtures of both types, intended for use in certain medicaments to disguise or ameliorate taste or smell. Aromatic preparations whether presented in the form of spirits, extracts, oils, resinoids, infusions, vegetable or fruit concentrates, powders or syrups, are also described.

These definitions will apply, in the French *Pharmacopoeia*, from 27 May 1975.

Copies of the French text can be sent on request or seen at Export House. Inquiries: OTAR ext. 423/408/482.

Further Information

In many cases further information on the notices published on these pages is available to British exporters from the Department of Trade. The main branches concerned are: Commercial Relations and Exporters (CRE) Division, 1 Victoria Street, London SW1H 0ET (tel: direct dialling); and Overseas Tariffs and Regulations Section (OTAR), Export Data Branch, Export Services and Promotions Division, Export House, 50 Ludgate Hill, London EC4M 7HU (tel: 01-248 5757). In each case, the relevant information source is indicated at the end of the notice by its initials (OTAR or CRE) and, in the case of OTAR, the telephone extension. In the Tariff and Trade Notices section countries are grouped by continents as far as possible; they are listed alphabetically on the contents page.

Switzerland

Prepared fish: tariff amendment. Swiss Recueil No. 24, 23 June 1975 published the following amendment to the tariff with effect from 1 July 1975:

BN. 16.4.23	Fish, frozen or dressed, prepared for the oven, ready to be cooked, presented in metal foil

These goods are duty free from all sources. Inquiries: OTAR ext. 458/461.

Portugal

Spiral springs: tariff amendment. Portuguese *Diario do Governo* No. 116 of 20 May 1975, published Decree Law 234/75 adding the following note to BN heading 73.55.04:

> Note – Imports of springs, falling within this tariff heading, by local manufacturers of agricultural implements for use exclusively in their manufacturing process shall be duty free on the favourable advice of the General-Inspectorate for Agricultural and Industrial Products. Importers shall record in a special register the quantity of springs imported and shall supply the customs authorities with all details necessary for the verification of the use and control of stocks. The use of the springs for a purpose other than that stipulated above shall be considered an evasion of payment of the duties normally due under the present sub-heading.

Inquiries: OTAR ext. 460/461.

Kenya

New import restrictions. Details of the new import and exchange control restrictions, which took effect on 1 June 1975, have been issued by the Central Bank of Kenya. These cancel previous notices, referred to in *Trade and Industry*, 11 July, 1974, page 82. The main restrictions of concern to British exporters are as follows:

Goods affected: The goods affected by the new restrictions are grouped into four schedules. The Kenyan SITC numbers and the treatment accorded to the goods in these schedules are as follows:

SCHEDULE I
Import items subject to specific licensing by the Director of Trade and Supplies, for which foreign exchange will be granted automatically by the Central Bank of Kenya:

001 4 00	081 3 01	081 3 02	081 3 03	081 3 04	081 3 09	081 9 50
112 1 10	211 1 01	211 1 02	211 1 03	211 1 04	211 2 01	211 2 02
211 4 01	211 4 02	211 4 03	211 6 00	211 7 01	211 7 02	211 7 03
211 9 09	292 5 00	332 1 01	332 1 02	332 2 01	332 2 02	332 3 01
332 3 02	332 4 00	332 5 02	332 9 60	341 1 00	541 6 30	561 1 01
561 1 02	561 1 03	561 1 09	599 2 03	621 0 40	629 4 00	641 1 00
641 5 00	641 9 10	641 9 60	641 9 70	651 7 00	655 5 00	673 1 00
674 4 21	674 5 12	677 0 09	677 0 01	694 1 00	694 2 00	694 2 09
695 1 00	698 1 20	698 8 59	714 9 20	724 9 90	729 4 10	729 5 00
812 4 22	861 9 30	863 0 00				

SCHEDULE II
Import items subject to specific import licensing for which foreign exchange will be provided by the Central Bank of Kenya on quota basis:

024 0 00	046 0 01	048 1 20	054 2 00	062 0 00	071 3 00	074 1 00
074 2 00	091 3 10	091 4 29	099 0 50	099 0 99	112 1 21	112 1 22
122 1 23	112 1 24	112 1 31	112 1 32	112 2 00	112 3 00	112 4 01
112 4 02	112 4 03	112 4 04	112 4 05	112 4 06	122 1 00	122 2 00
122 3 01	122 3 02	122 3 03	264 4 00	267 0 10	275 1 00	276 3 01
276 3 09	411 3 00	533 3 22	541 7 00	553 0 09	554 2 00	554 3 01
581 2 00	581 3 00	581 9 00	629 1 02	629 1 04	629 1 06	629 1 08
629 1 09	631 2 10	632 7 00	632 8 00	633 0 00	641 2 10	641 3 00
641 5 00	641 9 20	641 9 30	641 9 40	641 9 50	642 1 10	642 1 20
642 2 09	642 3 00	642 9 20	642 9 30	642 9 90	651 2 00	652 1 00
652 1 01	652 2 01	652 2 03	652 2 05	652 2 06	653 2 00	653 5 01
653 5 02	653 5 03	653 5 04	653 5 09	653 6 01	653 6 02	653 6 03
653 6 04	653 6 05	653 6 09	653 8 00	653 4 00	653 7 00	655 1 09
655 1 01	656 1 09	656 9 11	656 9 19	657 4 00	657 5 00	657 6 00
661 2 00	663 1 00	663 3 19	664 8 00	665 2 00	666 4 00	666 5 00
667 2 00	673 2 00	691 1 09	692 3 00	692 1 00	693 2 09	693 3 10
695 2 30	696 0 01	697 1 09	697 2 12	697 2 13	697 2 19	697 9 10
698 5 00	698 8 70	698 9 19	712 1 00	715 1 00	719 2 10	719 3 00
719 3 10	719 3 20	719 4 20	719 8 04	719 8 09	724 1 00	724 2 00
725 0 10	725 0 20	725 0 39	725 0 40	725 0 50	725 2 09	729 1 19
729 1 21	729 1 29	729 2 01	732 1 20	732 8 99	732 9 20	733 1 10
733 3 31	812 4 21	812 4 29	812 4 30	831 0 01	831 0 02	841 1 10
841 1 21	841 1 22	841 1 29	841 1 31	841 1 39	841 1 40	841 2 10
841 3 00	841 2 60	841 4 10	841 4 31	841 4 39	841 4 49	851 0 10
851 0 91	851 0 92	851 0 99	861 2 00	864 1 10	891 1 11	891 2 01
891 2 09	893 3 00	893 0 03	893 0 04	893 0 09	894 4 20	895 1 10
895 1 20	895 2 10	897 2 00	899 2 49	899 3 21	899 3 22	899 5 20
991 1 10	991 1 30					

SCHEDULE III
Import items subject to specific import licensing for which foreign exchange will not be provided:

011 3 00	011 4 00	012 1 01	012 1 02	012 9 01	013 3 01	013 4 00
013 8 01	022 1 01	022 1 02	022 2 10	022 2 20	022 2 30	023 0 01
023 0 02	031 3 00	042 0 00	043 0 00	045 9 01	045 9 09	047 0 09
048 1 20	048 4 10	048 4 21	048 4 29	048 8 00	048 8 20	051 1 00
051 2 00	051 4 00	051 5 00	051 5 09	051 9 09	053 3 00	053 5 02
053 5 03	053 5 09	053 6 00	053 9 01	053 9 09	054 5 01	054 5 03
054 5 09	054 6 00	055 5 00	055 5 10	055 5 21	055 5 29	061 1 01
061 1 09	062 0 00	073 0 01	073 0 02	075 1 01	091 4 10	099 0 40
099 0 99	251 0 00	533 3 20	533 3 21	533 3 22	553 0 05	553 0 09
554 1 01	554 2 00	554 3 01	554 3 02	581 2 09	599 2 03	599 5 90
629 1 02	629 1 05	629 1 06	632 7 00	632 8 00	642 1 10	642 3 00
642 9 30	651 2 00	651 4 20	651 6 00	652 2 01	652 2 06	652 2 09
654 0 09	654 9 00	655 1 01	655 1 09	655 4 01	655 4 09	655 6 21
655 8 11	656 6 10	656 6 90	656 9 20	656 1 02	656 1 03	656 1 09
656 6 20	656 2 00	656 9 12	661 2 00	665 2 00	673 9 00	674 4 12
674 5 11	675 0 00	678 3 00	691 1 01	691 2 00	693 2 01	694 1 00
694 2 02	695 1 00	695 1 02	695 1 09	697 1 20	697 2 30	697 9 11
698 1 10	698 5 00	698 5 11	698 9 11	712 9 00	719 6 30	729 1 11
732 8 99	733 3 20	821 0 10	821 0 30	821 0 90	841 4 20	841 4 41
841 4 42	892 9 10	892 9 40	893 0 01	893 0 02	893 0 09	894 2 42
894 4 20	895 2 41	895 9 90	897 1 00	899 9 30	899 2 41	899 2 42
899 2 49	899 5 30	899 5 90	991 1 60			

SCHEDULE IV
Import items not subject to specific import licensing for which foreign exchange will be allocated by the Central Bank of Kenya on quota basis:

031 1 00	032 0 11	055 5 10	061 9 00	099 0 40	099 0 99	533 3 12
533 0 01	599 5 10	599 5 70	599 7 40	613 0 00	631 4 10	631 4 20
631 8 00	652 1 32	655 6 14	655 6 29	698 8 60	712 2 00	712 3 00
712 5 01	712 5 02	712 5 09	714 1 00	714 2 10	714 2 20	714 3 01
714 3 02	714 9 10	717 3 02	719 1 20	719 1 50	719 1 90	719 2 10
719 2 20	719 4 30	719 6 10	732 1 00	732 2 00	732 3 00	735 3 00
812 4 29	841 2 30	841 2 40	861 4 00	861 5 00	861 6 00	862 4 10
891 1 12	892 2 00	893 0 00	895 1 10	895 2 10	896 0 00	

In some cases not all the items included in each SITC coding group above are in fact affected. Exporters are advised to contact OTAR to confirm the position for any commodities in which they are interested and for details about procedure for payment for imports. Inquiries: OTAR ext. 471/472/473/462.

South Africa

Tariff application. Customs Tariff Application List 675, published in the South African *Government Gazette* 4 July 1975 contains an application to the Board of Trade and Industries for increase in duty on the following:

gloves, mittens and mitts classifiable under tariff subheadings 42.03.10.30, 60.02.20, 60.06.30.20, and 61.10.20.

British trade organisations thought to be interested in the application are being informed. Any British firm affected which wishes to make representations to the South African Board of Trade and Industries and belongs to a trade organisation should, therefore, first contact its own trade association.

If any firm proposes to make independent representations to the South African authorities and requires further information concerning the application, it should address inquiries to CRE tel. 01-215 5274.

Indonesia

Reduction of import duty on medical raw materials and finished medicines. Further to the notice in *Trade and Industry* of 13 June 1975, a list of items on which partial exemption of import duty and sales tax has been granted is now available on request. Inquiries: OTAR ext. 469/401/468.

Japan

Electrical appliances. An unofficial translation of the summary of changes to the 1961 Electrical Appliances Control Law is available to British exporters on request. Inquiries: OTAR ext. 420/475.

Australia

Green olives: temporary protection. The Department of Manufacturing Industry in Australia has received a request for temporary protection against imports of green olives – tariff items 07.03.100, 07.03.900, 20.01.300, 20.01.400, 20.01.500, 20.02.200, 20.02.610, 20.02.690.

Requests for temporary protection are received initially by the Department of Manufacturing Industry and, after examination, are submitted to the Special Minister of State for consideration. The Special Minister of State may refer the request to a Temporary Assistance Authority for inquiry and report. Any temporary protection which may be accorded on the recommendation of the Temporary Assistance Authority is in the nature of a holding action pending Government consideration of the general question of protection for the local industry following inquiry and report by the Industries Assistance Commission.

Exporters should note that the Australian Prime Minister has made it clear that, should the need for urgent action emerge from these inquiries, goods ordered overseas, but not cleared for home consumption at the date of the announcement, will be subject to the terms of the action. Australian importers have been urged therefore to exercise caution in placing orders overseas and in entering into financial commitments on such orders, as special consideration may not be given to outstanding commitments should action be taken by the Government.

Evidence must be formally submitted at a public hearing, either by

a nominated representative of the firm or trade association concerned, or through the Australian British Trade Association, 21 Tothill Street, London SW1 (tel. 01-799 7447), who will represent UK interests if authorised. The Association charges a fee for its services, the amount varying according to the work entailed in the preparation of a submission and whether or not the interested party is a member.

UK firms or trade associations intending to submit evidence should advise the Secretary, Industries Assistance Commission, PO Box 80, Canberra, ACT 2600, Australia, without delay through their accredited agent, indicating the goods with which they are concerned, and the request they anticipate submitting. Ref. CRE 1551/75. Inquiries: CRE tel. 01-215 5319.

Superphosphate: Industries Assistance Commission. The Industries Assistance Commission in Australia has released a draft of its report on superphosphate in order that interested parties may have an opportunity to examine and comment on it within the commission's public inquiry system before the report is finally settled.

In order to receive submissions on the draft, the commission will hold a further public hearing in Canberra at 10 a.m. on Monday 14 July 1975. Witnesses intending to appear at this hearing should forward preliminary copies of their proposed submissions to reach the commission as soon as possible. Ref. CRE 8/74. Inquiries CRE tel. 01-215 5319.

New Zealand

Customs Acts Amendment Act 1975: Sales Tax Exemption Order 1974, Amendment No. 2. The above-mentioned Act and Order which came into operation on 23 May 1975 cover the following items:

SALES TAX

Goods previously taxable and which are now exempt		
Bitumen	A new exemption item is created	
Goods previously exempt tax and which are now taxable at the rates shown		
	Note: The following should be related to both the Amendment Act and the Order:	
Item 3	Aircraft (other than as may be approved by the Minister)	10%
ex Item 6	Cuff links, studs, tie slides, and tie tacks, hair slides (Tie pins are also taxable at 40% under the heading of jewellery)	40%
ex Item 47	Cinematograph and other image projectors, and parts and accessories therefor	30%
Item 54	Combs, hair and toilet	40%
ex Item 98	Firearms, excluding rifles and shotguns; ammunition and explosives (see below for rifles and shotguns)	30%
ex Item 165	Automatic vending machines (excluding petrol vending machines which are already taxable at 20%)	20%
ex Item 165	Photo-copying and thermocopying apparatus suited for office use and parts and accessories for such machines and apparatus	40%
ex Item 170	Thermometers, barometers, hygrometers, other than those designed for industrial, scientific or clinical use	30%

Goods previously taxable and in respect of which the rate of tax has been increased to

Goods	New rate
Fireworks	30%
Rifles and shotguns	30%
Gramophone records and other sound recordings; prepared tapes, wires, strips, and like articles of a kind commonly used for sound recording	40%
Jewellery, all kinds, pearls, precious or semi-precious stones	40%
Office machines and appliances and parts and accessories for such machines and appliances	40%
Perfumery, cosmetics and toilet preparations	40%
Statuettes, vases and ornaments	40%
Smokers' lighters, other than mechanical	50%
Smokers' lighters, mechanical	50%
Cameras; photographic flashlight apparatus; camera stands, tripods, and other parts and accessories for use with cameras or photographic flashlight apparatus	50%
Film in rolls, sensitised unexposed; but excluding sensitised surfaces specially suited for use in X-ray photography	50%
Refracting telescopes (binocular), prismatic or not	50%
Stereoscopes	50%

Inquiries: OTAR ext. 401/468/469.

Vinyl floor coverings: tariff amendments. The New Zealand Government has issued Customs Tariff (Vinyl Floor Coverings) Amendment Order 1975 whcih came into force on 6 June 1975 amending tariff items 39.02.089 and 59.10.018 which now read as follows:

Number	Description	Unit	Year	Rates of duty effective on and after 1 July: Normal tariff	British Preferential	Other Preferential rates or duty
Chapter 39	Artificial resins and plastic materials, cellulose esters and ethers; articles thereof					
39.02	Polymerisation and copolymerisation products (for example, polyethylene, polytetrahaloethylenes, polyisobutylene, polystyrene, polyvinyl chloride, polyvinyl acetate, polyvinyl chloroacetate and other polyvinyl derivatives, polyacrylic and polymethacrylic derivatives, coumarone-indene resins): Plates, sheets, strip, film and foil: Floor coverings: Other: Coated, covered or laminated:					
39.02.083	Incorporating expanded, foam or sponge artificial plastic materials	m²	1974	10%** *or*†	10%** *or*†	Aul free** *or*† Can free** *or*† CPC free** *or*†
39.02.084		m²	1974	55%	55%	Aul 20% Can 45% CPC 45%
39.02.085	Other	m²	1974	10%††	10%††	Aul free†† Can free†† CPC free††
39.02.088	Other kinds	m²	1974	10%	10%	Aul free Can free CPC free
Chapter 59	Wadding and felt; twine, cordage, ropes and cables; special fabrics; impregnated and coated fabrics; textile articles of a kind suitable for industrial use					
59.10	Linoleum and materials prepared on a textile base in a similar manner to linoleum, whether or not cut to shape or of a kind used as floor coverings; floor coverings consisting of a coating applied on a textile base, cut to shape or not: Having a coating consisting wholly or partly of artificial plastic materials:					
59.10.018	Other	m²	1974	35%	35%	Aul free Can 20% CPC 20%

Aul = Australia CPC = Commonwealth Preference Countries Can = Canada

** Plus a duty of 1% *ad valorem* for every 3 cents or part thereof by which the cif value is less than $3.40 per square metre.

† Where alternative rates are shown the rate chargeable is that which returns the lower duty.

†† Plus a duty equal to the amount by which the cif value is less than $2.00 per square metre.

Inquiries: OTAR ext. 401/468/469.

Canada

Revision of Table V (food enzymes) division 16 of the Food and Drug Regulations. The Health Protection Branch of the Canadian Department of Health and Welfare has issued Information Letter No. 442 which deals with the proposed revision of Table V – Food additives that may be used as Food Enzymes. Due to the recent developments in food technology, the Branch has proposed that a general standard for Enzyme preparations is established, and has asked for comments from all interested parties, by 17 December 1975.

Comments and information should be sent to: Assistant Director General, Foods Directorate, Health Protection Branch, Tunney's Pasture, Ottawa, Ontario, K1A L2.

Copies of the Information Letter are available. Inquiries: OTAR ext. 455/456/457.

CRE tel. Direct dialling **OTAR** telephone 01-248 5757
Extensions to **OTAR** numbers are given at the end of each notice.

United States

Screws, bolts and nuts. The United States International Trade Commission has instituted an investigation under section 201(b) of the Trade Act 1974 into imports of wood screws and bolts and nuts and screws of iron or steel. Inquiries: CRE tel. 01-215 5629.

Jamaica

Industrial Incentives Law. Soya products, ie soya meal, flour and oil, have been declared 'approved products' for the purposes of the Industrial Incentives Law 1956.

A notice that consideration was being given to designate these products appeared in *Trade and Industry*, of 7 March 1975 (page 604). Applications for the status of 'approved product' and 'approved manufacturer' are processed by the Jamaican Industrial Development Corporation, 4 Winchester Road, Kingston 10, Jamaica (PO Box 505). It would be appreciated if firms writing to the Corporation would copy their initial correspondence to the British High Commission, Commercial Department, PO Box 393, Kingston, Jamaica. Inquiries: CRE ext. 5296.

Guyana

Importation. The Guyana authorities have stated that from 9 June 1975 the importation of BN 04.02 Sweetened milk and cream, preserved concentrated or sweetened or unsweetened in liquid or semi-solid form containing less than 8 per cent milk fat is prohibited.

Inquiries: OTAR ext. 7312/456/457.

An example of the technology which has helped Beckman instruments of Glenrothes, Fife, to win the Queen's Award to Industry for export achievement. The girl in the photograph is operating a wire bonding machine which is used for attaching semiconductors to thick film substrates, an essential process in this level of miniaturisation. The company has exported these microcircuits, together with potentiometers and resistor networks, to most countries of the world. Beckman has competed with the international electronics industry largely through intensive automation of production methods.

CRE Commercial Relations and Exports Divisions
Tel. Direct dialling (see end of each notice)

OTAR Overseas Tariffs and Regulations Section
Tel. 01-248 5757 (extension at end of each notice)

Chile

Import licences. Chilean Central Bank Circular No. 2352 of 9 June 1975 lists the occasions when a supplementary application (*solicitud anexa*) should be presented by the importer as a consequence of a change in the terms of the original import licence (*registro de importación*), such as: change of name of importer, form of payment, type of commodity or classification, extension of period of shipment, increase in unit value, etc.

Inquiries from British exporters about this notice should specify the products in which they are interested: OTAR ext. 474/476.

Books: payment terms. Chilean Central Bank Circular No. 2340 of 29 May refers to importations of books received under consignment conditions and not liable to payment of interest. The importer may, exceptionally in this case, pay the equivalent value in local currency at the intervening local commercial bank (and thus purchase forward the foreign exchange for remittance to the overseas supplier) over a period of two years from date of shipment.

Imports of books not received on consignment as above are subject to the normal for-collection ('CAD') payment terms under which – provided the importer fulfills the prescribed rules relating to forward purchase of exchange and customs clearance – the supplier may expect to receive payment 120/150 days after shipment. (Payment by letter of credit is, exceptionally, not allowed for book imports.)

Inquiries: OTAR ext. 471/476.

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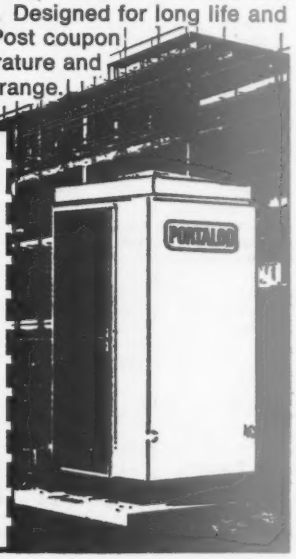


Statistics

The economy: selected indicators

Series expressed as index numbers and seasonally adjusted except where shown otherwise

	Gross domestic product (average estimate)	Consumers' expenditure	Fixed capital expenditure: Total	Fixed capital expenditure: of which, Manufacturing industry	Fixed capital expenditure: of which, Distributive and service industries	Changes in stocks: Total	Changes in stocks: of which, Manufacturing industry	Changes in stocks: of which, Wholesalers	Changes in stocks: of which, Retailers	Balance of payments: Current balance	Balance of payments: Visible balance	Balance of payments: Invisible balance
	at 1970 prices		at 1970 prices			at 1970 prices				at current prices		
Base of index	1970	1970	1970	1970	1970							
£m in base year		31,365	9 223	2,130	2,089	series in £ million				series in £ million		
1970	100	100	100	100	100	439	324	68	−23	698	−11	709
1971	101	103	100	94	103	76	−126	52	−4	1,052	273	778
1972	104	109	106	85	116	−54	−205	48	3	82	−683	765
1973	110	114	110	90	121	696	374	32	242	−1,113	−2,301	1,188
1974	110	114	108	100	112	337	468	47	−124	−3,771	−5,259	1,488
1972 2nd qtr.	104	108	106	84	115	−31	−106	1	38	123	−67	190
3rd qtr.	104	110	106	82	116	−7	−42	6	−13	−109	−284	175
4th qtr.	107	111	108	83	123	18	7	24	−6	−17	−209	192
1973 1st qtr.	110	115	112	89	127	277	146	11	32	−184	−354	170
2nd qtr.	109	112	107	86	113	188	61	−9	163	−209	−401	192
3rd qtr.	110	114	111	91	120	100	68	6	22	−229	−569	340
4th qtr.	110	114	111	94	125	131	99	24	25	−491	−977	486
1974 1st qtr.	106	113	112	99	111	−235	−100	8	−73	−935	−1,279	344
2nd qtr.	110	112	105	100	107	208	138	42	11	−955	−1,316	361
3rd qtr.	112	114	106	99	118	257	299	−27	−28	−830	−1,210	380
4th qtr.	111	116	107	103	112	107	130	23	−34	−1,051	−1,454	403
1975 1st qtr.	111	116 p		94	99		51	−35	−65	−342	−716	374
% change last 2 qtrs. on prev. 2 qtrs.	+0.2	+2.7	−1.8	−0.9	−5.5							
on a year earlier		+2.2	−4.1	+1.8	−11.9							

	Index of industrial production: Total all industries	Index of industrial production: Total manufacturing industries	Personal expenditure: Retail sales	Personal expenditure: Cars: new registrations	Prices and costs: Index of retail prices: Index‡	Prices and costs: Index of retail prices: % increase on a year earlier	Prices and costs: Index of wholesale prices: all manufacturing industry: basic materials and fuel used‡	Prices and costs: Index of wholesale prices: all manufacturing industry: manufactured products: home sales‡	Prices and costs: Basic hourly wage rates of manual workers (all industries and services)‡	Labour: Unemployed excluding school leavers and adult students: mid-month count	Labour: Unemployed excluding school leavers and adult students: % of total employees	Labour: Unfilled vacancies for adults: mid-month count	Trade§: Exports	Trade§: Imports
				monthly averages						thousands		thousands	totals	
Base of index	1970	1970	1971		Jan. 1974		1970	1970	31 July 1972				Series in	
£m in base year			15,895	thousands						thousands		thousands	£ million	
1971	100.4	99.6	100.0	108.5	153.4†	9.4	104.6	109.0	88.9	737	3.2	129	8,801	8,528
1972	102.4	102.0	105.8	138.6	164.3†	7.1	109.2	114.8	101.4	816	3.6	145	9,147	9,830
1973	109.9	110.5	110.7	137.3	179.4†	9.2	144.5	123.2•	115.5	581	2.6	304	11,512	13,813
1974	106.4	107.9	109.9	102.7	108.5	16.0	215.3	152.0	138.5	572+	2.5+	298+	15,589	20,848
1973 3rd qtr.	110.7	111.5	110.6	143	180.2†	9.2	150.9	124.2	118.5	555	2.4	334	2,991	3,560
4th qtr.	109.5	110.5	112.0	119	186.8†	10.3	167.6	129.1	121.0	494	2.2	361	3,048	4,025
1974 1st qtr.	103.7	106.0	109.8	103	101.4	12.9	212.5	138.3	125.0	546	2.4	286	3,500	4,779
2nd qtr.	108.0	109.6	107.3	104	107.5	15.8	213.7	148.9	132.2	552	2.4	311	3,900	5,216
3rd qtr.	108.7	110.3	111.0	109	110.2	17.0	212.9	156.1	143.9	592	2.6	306	4,161	5,371
4th qtr.	105.3	106.1	111.6	96	115.1	18.2	222.1	164.9	153.5	..	..	..	4,029	5,482
1975 1st qtr.	104.5	105.5	111.6	106	122.0	20.3	220.6	176.0	163.2	701	3.1	..	4,571	5,287
2nd qtr.										814	3.6	166		
1974 July	109.3	110.8	109.2	106	109.7	17.1	212.3	153.5	139.8	576	2.5	317	1,337	1,769
Aug.	109.1	111.2	111.4	102	109.8	16.9	213.7	156.1	145.5	597	2.6	301	1,378	1,787
Sept.	107.7	109.0	112.2	118	111.0	17.1	212.8	158.6	146.3	603	2.7	301	1,446	1,816
Oct.	106.7	107.1	111.4	102	113.2	17.1	220.1	162.2	148.7	607	2.7	294	1,347	1,841
Nov.	106.2	107.3	112.8	98	115.2	18.3	223.8	164.8	153.9	613	2.7	273	1,296	1,896
Dec.	102.9	103.8	110.8	87	116.9	19.1	222.5	167.6	158.0	..	..	..	1,386	1,745
1975 Jan.	105.0	106.8	113.0	109	119.9	19.9	222.1	173.0	159.7	678 e	3.0	..	1,571	1,856
Feb.	105.0	106.4	112.3	113	121.9	19.9	218.8	175.9	162.0	705	3.1	192	1,451	1,765
Mar.	103.4	103.3	109.4	97	124.3	21.2	221.9	179.2	169.0	722	3.2	186	1,549	1,666
Apr.	102.5	103.2	120.2	89	129.1	21.7	222.8 p	182.3 p	169.2	760	3.3	173	1,364	1,655
May			102.5	87	134.5	25.0	225.2 p	187.3 p	175.2	817	3.6	156	1,586 p	1,602 p
June										864	3.8	141		
% change latest 3 months on prev. 3 months	−1.0	−1.6	−1.2	−11.7	+8.1		+1.1	+6.3	+7.0	+16.0		..	+2	−8.5
on a year earlier	−2.0	−3.6	+2.7	−11.4	+22.5		+4.0	+25.4	+32.8	+47.3		−49.5	+17	−5.5

(‡) Not seasonally adjusted. (§) On a balance of payments basis. • After April 1973, affected by changes due to VAT. † Base of index Jan. 1962 = 100.
+ Average of 11 months. e Figure is estimate

British Film Fund Agency returns

The British Film Fund Agency has authorised the publication of the following information for the five weeks ended 31 May 1975.

Distributors' earnings submitted	£
Low cost films:	
Eligible (after multiplying by 2½)	60,898
Not eligible for 2½ times rental	42,620
	103,518
High cost films (including newsreels after multiplying by 2½)	714,696
	818,214
Films under 3,000 ft. (after multiplying by 2½)	45,261
	863,475

Levy collections paid to the agency by HM Customs and Excise to 17 June 1975 including an estimate of collections approximately covering entertainments for the five weeks ended 31 May 1975 £620,000

The seventh interim allocation for the eighteenth year will be at the rate of 48 per cent.

Cinema admissions and takings in March

During March, counted as a five-week period, the weekly average of admissions to cinemas in Great Britain was 2.95 million and the weekly average of gross box office takings was £1.57 million. The comparable figures for March 1974 were 2.89 and £1.31 million respectively.

Symbols used in all statistical tables

.. not available
— nil or less than half the final digit shown
p provisional
r revised
* five week period
ø fifty-three week period

UK official reserves in June

The UK official reserves fell by $293 million during June after accruals of foreign currency borrowing by the public sector under the exchange cover scheme totalling $261 million and long-term debt servicing payments of $46 million. At the end of June they stood at $6,198 million.

'Economic Progress Report' for July

'Trade with OPEC countries' is the main feature in the July issue of *Economic Trends*, now published. The article deals with the build-up of the OPEC countries' oil revenues as a result of the massive increases in oil revenues since late 1973, and describes how these revenues have been handled and the scope for UK exports to this market.

Other articles in *Economic Trends* this month are a description of some of the Government's measures over the past year or so to conserve energy supplies; the monthly economic assessment and economic indicators – a full page of charts illustrating the main indicators of the course of the economy.

Economic Progress Report is prepared by Treasury Information service. Copies are available free from Circulation Section (H), Central Office of Information, Hercules Road, London SE1 7DU.

Registrations of British, Community and foreign films

The following are details of films registered by the Department of Trade under the Films Acts 1960 to 1970, as amended by the European Communities Act 1972, during the week ended Friday, 4 July 1975.
BR/E indicates that the film is a British quota film, EC that the film is a quota film. The date which forms part of the registration number of each is the date on which quota life of the film expires.

Title of film	Registered no.	Playing time minutes	Date of registration	Registered in the name of	Maker's name
			BRITISH		
Confessions Of A Sex Maniac	BR/E 38172/5/7/80	80	2 July	Oppidan Film Productions Ltd.	Rothernorth Ltd.
Bob Kerr's Whoopee Band	BR/E 38175/5/7/80	14	3 July	GTO Films (Distributions) Ltd.	GTO Films Ltd.
Max Wall – Funny Man	BR/E 38176/5/7/80	39	3 July	GTO Films (Distributions) Ltd.	GTO Films Ltd.
Movietone News 2404	BR/E 38119/5/7/80	8	4 July	British Movietonews Ltd.	British Movietonews Ltd.
			COMMUNITY		
Magdalena	EC 38160/5/7/80	80	1 July	DUK Films Ltd.	TV 13, Fernseh-und Film-GmbH, Munich
The Rebel Nun	EC 38161/5/7/80	96	1 July	Eagle Films Ltd.	PAC Produzioni Atlas Consorziate SrL, Rome
La Bonzesse	EC 38163/5/7/80	A 97 B 90	2 July	Cinecenta Film Distributors Ltd.	Unite 1, Leroi et Cie, Labrador Films and ROC, Paris
Appassionata	EC 38164/5/7/80	96	2 July	Eagle Films Ltd.	PAC Produzione Atlas Consorziate, Rome
			FOREIGN		
Is There Sex After Death	F 38157	78	1 July	Oppidan Film Productions Ltd.	Abel-Child Productions, New York
Mixed Company	F 38158	109	1 July	United Artists Corporation Ltd.	Llenroc Productions, California
The Wilby Conspiracy	F 38159	105	1 July	United Artists Corporation Ltd.	Optimus Productions Ltd., California
The Panic In Needle Park	F 38162	109	2 July	Fox-Rank Distributors Ltd.	Gadd Productions Corporation and Didion-Dunne Inc., California
Doc Savage – The Man Of Bronze	F 38165	100	2 July	Columbia-Warner Distributors Ltd.	Warner Brothers Inc., California
The Apple Dumpling Gang	F 38166	100	2 July	Walt Disney Productions Ltd.	Walt Disney Productions, California
Julia	F 38167	88	2 July	Focus Film Distributors Ltd.	Lisa Film GmbH, Munich
Broken Butterfly	F 38168	80	2 July	Focus Film Distributors Ltd.	Chris D. Nebe Film, Munich
Keyhole	F 38169	75	2 July	Focus Film Distributors Ltd.	Chris D. Nebe Film, Munich
Abby	F 38170	88	2 July	Focus Film Distributors Ltd.	AIP, California
The Violator	F 38171	76	2 July	Focus Film Distributors Ltd.	AIP, California
Girls Come First	F 38173	45	3 July	New Realm Distributors Ltd.	Oppidan Film Productions Ltd., London
Enter The Seven Virgins	F 38174	90	3 July	New Realm Distributors Ltd.	Shaw Bros. (HK) Ltd., Hong Kong

Amendments to the Register

The title of the film 'The Corruption Of Chris Miller' (F 37921), registered on 30 January 1975, has been amended to 'Sisters Of Corruption'.

The title of the film 'A Bird In The Hand' (EC 37682/8/9/79), registered on 4 September 1974, has been amended to 'Three Into Sex Won't Go' and the name of the distributor to Crawford Films Ltd.

The title of the film '(a) Clinic Xclusive (b) With These Hands' (BR/E 36288/9/7/77), registered on 5 July 1972, has been amended to 'Sex Clinic' and the name of the distributor to Target International Pictures Ltd.

Retail sales in May

Volume

The final seasonally adjusted index of the volume of retail sales in May is 102.5 (1971 = 100), close to the provisional estimate of 103 and indicating a fall of 15 per cent from the very high April level. Taking April and May together the average monthly volume of sales was about the same as in the first quarter of 1975.

Sales in April and May were influenced by the announcement in the Budget on 15 April of the higher rate of VAT taking effect from 1 May and also of the increases in Excise Duties. The main effect was in durable goods shops where the volume of sales in May declined

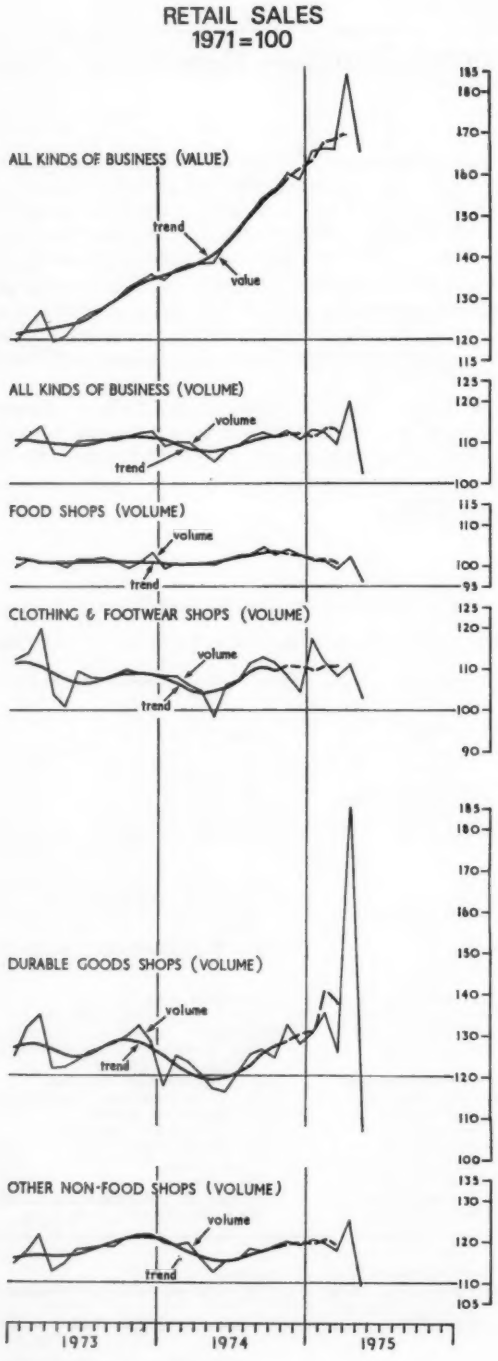


TABLE 1 Volume of retail sales seasonally adjusted

Index numbers of sales per week (average 1971 prices) 1971 = 100

(Sales in 1971 £ million Provisional estimates)	All kinds of business (15,895)	Food shops (6,693)	Non-food shops Total (9,202)	Clothing and footwear shops (2,314)	Durable goods shops (1,801)	Other non-food shops (†) (5,087)
1971	**100.0**	**100.0**	**100.0**	**100**	**100**	**100**
1972	**105.8**	**101.5**	**109.0**	**105**	**115**	**109**
1973	**110.7**	**101.0**	**117.7**	**109**	**127**	**118**
1974	109.9	101.8	115.9	107	123	117
1973 1st quarter	**111.8**	**100.8**	**119.8**	**116**	**130**	**118**
2nd quarter	**108.3**	**100.7**	**113.8**	**105**	**122**	**115**
3rd quarter	**110.6**	**101.4**	**117.3**	**108**	**127**	**118**
4th quarter	**112.0**	**101.3**	**119.8**	**109**	**130**	**121**
1974 1st quarter	109.8	100.1	116.8	107	122	119
2nd quarter	107.3	100.8	112.2	103	118	114
3rd quarter	111.0	103.3	116.7	111	124	117
4th quarter	111.6	103.0	118.0	108	128	119
1975 1st quarter	111.5	100.5	119.5	112	130	119
1974 March*	110.0	100.6	116.8	106	123	120
April	107.9	100.3	113.6	104	121	115
May	105.6	100.2	109.7	98	117	112
June*	108.2	101.7	113.0	106	116	115
July	109.2	102.3	114.2	107	121	115
August	111.4	102.7	117.7	111	125	118
September*	112.2	104.5	117.8	113	126	117
October	111.4	102.8	117.8	111	124	118
November	112.8	103.9	119.3	108	132	120
December*	110.8	102.4	117.0	104	128	119
1975 January*	113.0	101.5	121.4	117	130	120
February	112.3	101.0	120.6	112	135	120
March*	109.4	99.2	116.8	108	126	118
April	120.2	102.1	133.3	111	185	125
May	102.5	95.9	107.3	103	106	109
1974 Dec.-Feb. 1975	112.0	101.7	119.6	111	131	120
1975 March-May	110.6	99.1	119.0	107	138	117
Percentage increase	−1.2	−2.6	−0.5	−3	5	−2

TABLE 2 Value of retail sales seasonally adjusted

Index numbers of value of sales per week (current prices) 1971 = 100

(Sales in 1971 £ million Provisional estimates)	All kinds of business (15,895)	Food shops (6,693)	Non-food shops Total (9,202)	Clothing and footwear shops (2,314)	Durable goods shops (1,801)	Other non-food shops (†) (5,087)
1971	**100.0**	**100.0**	**100.0**	**100**	**100**	**100**
1972	**112.0**	**108.9**	**114.2**	**112**	**118**	**114**
1973	**126.9**	**122.8**	**129.9**	**128**	**136**	**128**
1974	146.7	144.5	148.2	149	143	150
1973 1st quarter	**123.5**	**115.5**	**129.3**	**130**	**138**	**126**
2nd quarter	**122.0**	**119.9**	**123.6**	**121**	**128**	**123**
3rd quarter	**127.8**	**124.5**	**130.2**	**129**	**136**	**129**
4th quarter	**134.2**	**131.3**	**136.3**	**134**	**141**	**136**
1974 1st quarter	136.8	134.6	138.4	139	135	139
2nd quarter	140.6	139.7	141.3	141	135	144
3rd quarter	150.6	147.9	152.6	157	146	153
4th quarter	158.5	155.8	160.5	159	156	163
1975 1st quarter	166.2	161.7	169.6	173	163	171
1974 March*	138.4	136.2	140.0	140	138	141
April	138.9	137.4	140.0	140	135	142
May	138.7	139.0	138.4	134	135	142
June*	143.5	142.1	144.6	147	136	147
July	146.6	144.7	148.0	149	142	149
August	150.5	146.7	153.3	158	146	154
September*	154.0	151.5	155.8	162	149	155
October	156.4	153.2	158.8	163	148	161
November	160.3	157.5	162.2	159	161	164
December*	158.8	156.5	160.4	155	157	164
1975 January*	165.8	159.4	170.5	177	161	171
February	166.7	161.2	170.8	173	168	171
March*	166.3	164.3	167.7	168	160	171
April	184.4	173.4	192.4	173	232	187
May	165.5	169.3	162.8	163	146	169
1974 Dec.-Feb. 1975	163.6	158.9	167.0	168	162	168
1975 March-May	171.6	168.6	173.8	168	178	175
Percentage increase	4.9	6.1	4.1	—	10	4

The indices for all shops, food shops and total non-food shops are shown to the first decimal place to help interpretation, but should not be regarded as necessarily accurate to the final digit. The best indication of the recent trend is normally obtained by comparing the average index for the latest three months with the average for the immediately preceding three months but month to month fluctuations may sometimes make it preferable to average two or four months.

When using the volume figures, it should be borne in mind that, when price increases are large, the various problems associated with revaluation of the value series to constant prices become more acute. Thus, the relative accuracy with which volume changes have been measured is likely to have been reduced in recent periods.

The monthly periods consist of four weeks except those marked * which are of five weeks. The May 1975 sales period was the four weeks from 4 May 1975 to 31 May 1975. The corresponding period in 1974 was the four weeks from 28 April 1974 to 25 May 1974.

(†) Including department stores and mail order businesses.

The press notice giving the *provisional* estimates of the seasonally adjusted index of the volume of retail sales for June and the increase in the value of sales compared with a year earlier will be published later this month.

sharply from the very high level in April. Lesser effects were shown in food shops and in other non-food shops (which include department stores and mail-order businesses) where sales also fell following smaller increases in April. Sales by clothing and footwear shops were also lower.

While the average monthly volume of sales was little changed for April and May, taken together, in comparison with the first quarter, there were differing movements in the main components. Sales by durable goods shops increased by 12 per cent – reflecting the substantial increase in April, but sales by food shops and by other non-food shops both declined by about 2 per cent, and sales by clothing and footwear shops by 5 per cent.

Value

Based on non-seasonally adjusted data, the value of total retail sales in May rose by 19 per cent compared with May 1974. In the first five months of 1975 the average value of total sales was 23 per cent above the corresponding period of 1974.

Hire purchase and other instalment credit business in May

New instalment credit advanced by finance houses and retailers amounted to £247 million in May (on a seasonally adjusted basis). This was very much in line with average monthly advances during the first quarter of this year but some 9 per cent below the April figure. The April figure was, however, inflated by spending in advance of the introduction of the higher rate of value added tax on 1 May. New credit advanced by retailers in May amounted to £145 million compared with £169 million in April and finance houses advanced £102 million in May, the same as in April.

The average weekly value of retailers' instalment credit sales was also about the same in May as in the first quarter of the year, although experience varied between the three broad groups of retailers. Sales by durable goods shops were lower in May than in the first quarter and considerably lower than in April, but average sales in April and May together were over 20 per cent up on the first quarter average. Sales by department stores were also down in May; their average level in April and May together was about the same as in the first quarter. Sales by other instalment credit retailers (mainly mail order businesses) in May were only a little lower than in April and still above the average level for the first quarter. In April and May together they were about 5 per cent more than on average in the first quarter.

The debt outstanding to retailers on instalment credit agreements was unchanged during May following increases of £26 million in April and £4 million in the first quarter as a whole. Debt outstanding to finance houses fell by £10 million in May; it had been unchanged in April and fell by £16 million in the first quarter of the year. At the end of May the total instalment debt outstanding to retailers and finance houses was £2,284 million (*not* seasonally adjusted), 3 per cent less than a year earlier.

TABLE 1 Hire-Purchase and other instalment credit business seasonally adjusted

£ million

	Total		Finance Houses†		Retailers‡	
	New credit extended	Increase in debt	New credit extended	Increase in debt	New credit extended	Increase in debt
1970	1,735	84	822	58	913	26
1971	2,053	240	990	165	1,063	75
1972	2,497	424	1,222	296	1,275	128
1973	2,871	438	1,453	332	1,418	106
1974	2,517	−155	1,037	−160	1,480	5
1973 2nd quarter	681	87	338	62	343	25
3rd quarter	717	103	366	82	351	21
4th quarter	712	77	352	57	360	20
1974 1st quarter	576	−68	232	−57	344	−11
2nd quarter	614	−43	255	−45	359	2
3rd quarter	648	−15	270	−28	378	13
4th quarter	679	−29	280	−30	399	1
1975 1st quarter	723	−12	290	−16	433	4
1974 October	231	−11	97	−14	134	3
November	224	−11	88	−5	136	−6
December	224	−7	95	−11	129	4
1975 January	246	7	104	2	142	5
February	243	−10	96	−10	147	—
March	234	−9	90	−8	144	−1
April	271	26	102	—	169	26
May	247	−10	102	−10	145	—
1974 Dec.-Feb. 1975	713	−10	295	−19	418	9
1975 Mar.-May	752	7	294	−18	458	25
Percentage increase	5		—		10	
Debt outstanding at 31 December 1974 (unadjusted)	—	2,330	—	1,478	—	852

† Direct business only: ie excluding agreements block discounted with finance houses by retailers.

‡ Durable goods shops, department stores and 'other instalment credit retailers'. For further definitions see footnote to Table 2.

TABLE 2 Retailers' instalment credit sales seasonally adjusted

Index numbers of value of sales per week (current prices) 1966 = 100

	Total†	Durable goods shops	Department stores	Other instalment credit retailers‡
H.P. and other instalment credit sales in 1966 §				
£ million	(862)	(327)	(46)	(489)
1970	121	112	119	128
1971	134	138	138	131
1972	158	162	157	155
1973	176	165	181	183
1974	184	132	193	217
1973 2nd quarter	170	161	175	176
3rd quarter	175	162	181	182
4th quarter	179	163	185	190
1974 1st quarter	171	118	176	207
2nd quarter	178	126	183	212
3rd quarter	188	134	208	222
4th quarter	198	152	211	228
1975 1st quarter	211	159	233	244
1974 October	199	146	216	233
November	202	156	214	233
December*	193	154	202	218
1975 January*	208	158	228	240
February	216	162	241	249
March*	210	157	231	244
April	253	238	242	264
May	211	150	223	250
1974 Dec.-Feb. 1975 av.	205	158	222	235
1975 Mar.-May av.	224	180	232	252
Percentage increase	9	14	4	7

† Durable goods shops, department stores and 'other instalment credit retailers'.

‡ General stores (other than department stores), general mail order houses and co-operative societies' non-durable goods departments.

§ Excluding sales against checks issued by other organisations.

The monthly periods for retailers consist of four weeks except those marked * which are of five weeks. The period covered by May 1975 sales was the four weeks from 4 May 1975 to 31 May 1975. The corresponding period in 1974 was from 28 April 1974 to 25 May 1974.

Capital expenditure of the manufacturing, distributive and service industries in the first quarter of 1975

Manufacturing industry

Capital expenditure by manufacturing industry in the first quarter of 1975 is now estimated at £511 million, at 1970 prices, seasonally adjusted, a little more than £8 million above the provisional estimate. The revised estimate is 7 per cent less than investment in the fourth quarter of 1974. The textiles, leather and clothing, and the engineering, shipbuilding and metal goods sectors showed the steepest falls.

Comparing the first quarter of 1975 with the quarterly average for 1974, the overall fall in the volume of investment was 4 per cent with the largest declines in the textiles, leather and clothing (20 per cent), the food, drink and tobacco (14 per cent) and the residual other manufacturing (14 per cent) groups. There were increases in the chemicals (27 per cent), the coal and petroleum products (15 per cent) and the metal manufacturing (8 per cent) industries.

The analysis by asset shows that expenditure on vehicles fell by about 18 per cent in the first quarter compared with the quarterly average for 1974, while that on new building work showed little change. Investment in plant and machinery fell by 4 per cent.

Distributive and service industries (excluding shipping)

The revised estimate for the capital expenditure of the distributive and service industries (excluding shipping) in the first quarter of 1975 is £419 million, at 1970 prices, seasonally adjusted, £6 million less than the provisional estimate and some 10 per cent below the estimate for the previous quarter.

The volume of investment in the first quarter was 12 per cent below the average quarterly level in 1974: the reduction was much greater for vehicles (18 per cent) and plant and machinery (15 per cent) than for new building work (5 per cent). In the classification according to industry groups, this decline in investment was particularly large for the wholesale sector (17 per cent) but was also appreciable in the retail sector (12 per cent) and in the residual group of industries (11 per cent).

Shipping

Revised figures confirm the further fluctuation in this series: the estimate of £95 million for the first quarter (at 1970 prices, seasonally adjusted) is much the same as the provisional estimate and well below that for the previous quarter. The estimate for the first quarter is 12 per cent below the average quarterly level in 1974.

Note

The estimation of changes in the volume of capital expenditure (as distinct from changes at current prices) is subject to greater error when price rises are larger, and this should be borne in mind in using the figures.

Fixed capital expenditure at 1970 prices seasonally adjusted

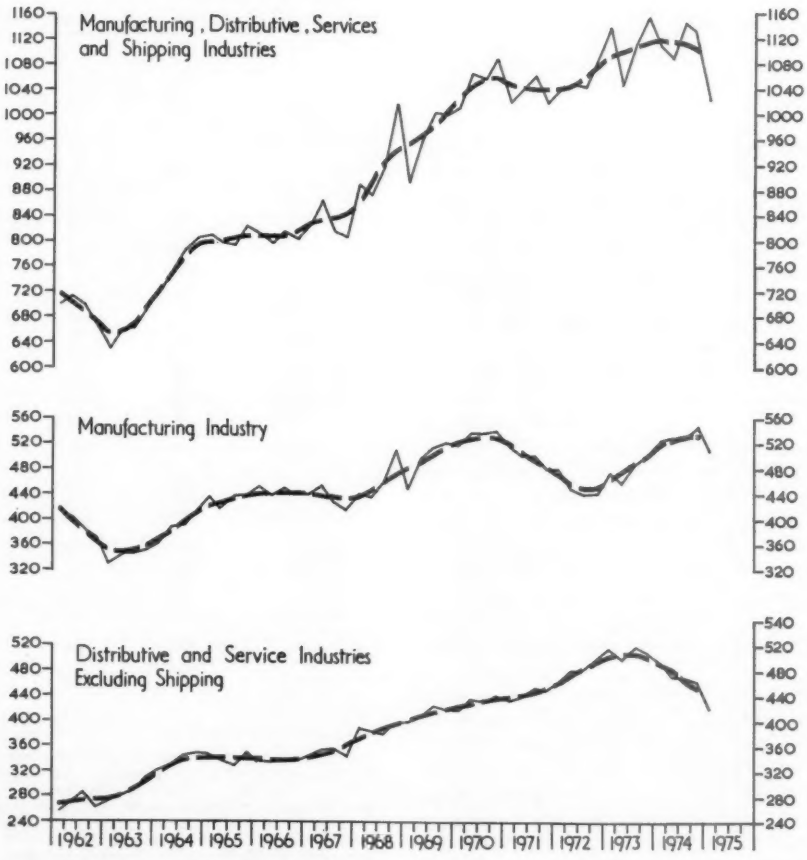


TABLE 1 Fixed capital expenditure at 1970 prices seasonally adjusted of manufacturing, distributive and service industries

£ million

Period	Total	Analysis by industrial sectors: Manufacturing industries	Distributive and service industries (excluding shipping)	Shipping industry	Analysis by type of asset: New building work	Vehicles	Plant and machinery
1967	3,315	1,738	1,407	170	940	603	1,772
1968	3,703 (3,615)*	1,851 (1,800)*	1,562 (1,555)*	290 (260)*	964	759 (729)*	1,980 (1,922)*
1969	3,862 (3,950)*	1,978 (2,029)*	1,652 (1,659)*	233 (263)*	1,046	724 (754)*	2,092 (2,150)*
1970	4,219	2,130	1,725	364	1,064	850	2,305
1971	4,139	1,997	1,778	365	1,108	825	2,206
1972	4,221	1,806	1,933	482	1,086	998	2,138
1973	4,453	1,924	2,038	491	1,070	1,079	2,305
1974	4,466	2,133	1,902	432	1,090	996	2,380
1969 1st quarter	896 (961)*	450 (485)*	399 (404)*	48 (73)*	254	169 (194)*	474 (514)*
2nd quarter	961 (977)*	496 (505)*	407 (409)*	57 (62)*	260	182 (187)*	519 (530)*
3rd quarter	1,005 (1,012)*	514 (521)*	426	65	274	186	545 (552)*
4th quarter	1,000	518	420	62	259	188	553
1970 1st quarter	1,013	516	420	78	258	199	556
2nd quarter	1,065	537	436	93	268	217	580
3rd quarter	1,058	537	431	90	265	211	582
4th quarter	1,084	541	438	103	274	223	588
1971 1st quarter	1,018	517	432	68	277	181	559
2nd quarter	1,042	502	440	100	274	218	550
3rd quarter	1,060	500	455	105	280	220	560
4th quarter	1,019	478	450	91	277	206	537
1972 1st quarter	1,043	478	461	104	275	222	544
2nd quarter	1,050	447	483	120	271	245	534
3rd quarter	1,043	439	487	117	266	251	527
4th quarter	1,085	442	502	141	273	280	533
1973 1st quarter	1,137	474	514	149	273	291	573
2nd quarter	1,049	460	497	92	262	230	556
3rd quarter	1,113	487	515	112	274	262	577
4th quarter	1,154	503	512	139	260	296	598
1974 1st quarter	1,106	527	497	82	278	229	600
2nd quarter	1,086	530	472	85	271	224	591
3rd quarter	1,143	529	469	145	271	285	587
4th quarter	1,131	547	464	120	271	259	602
1975 1st quarter	1,024	511	419	95	263	210	552

The total of manufacturing industry and of the distributive and service industries covers a wide sector of the economy, accounting – after exclusion of dwellings – for 54 per cent of all UK capital formation in 1973. The total comprises most industries and services outside agriculture, forestry and fishing, coal mining, public utilities, the public transport corporations and the public administration. The excluded parts are, except for agriculture, very largely in the public sector of the economy. For all industries covered, public expenditure (eg by the British Steel Corporation) is included. However, the figures are largely representative of the trend of expenditure of private industry and business.

* After allowing for expenditure, brought forward into 1968 from 1969 to secure the higher rate of investment grants which ended on 31 December 1968, estimated at £51 million for manufacturing industry, £7 million for distributive and service industry, and £30 million for shipping. The estimate for shipping is particularly uncertain because of the erratic nature of this industry's capital expenditure, while that for the distributive and service industries is uncertain because of the smallness of the effect.

Nearly all the capital expenditure by the shipping industry relates to ships, which are included under 'Vehicles' the rest of which consists largely of road vehicles.

For other footnotes, see end of article.

TABLE 2 Fixed capital expenditure of manufacturing industry at 1970 prices seasonally adjusted

£ million

Period	Total all manufacturing industries	Analysis by industry group: Food drink and tobacco	Coal and petroleum products	Chemicals	Metal manufacture	Engineering shipbuilding and metal goods	Vehicles	Textiles leather and clothing	Paper printing and publishing	Other manufacturing industries	Analysis by type of asset: New building work	Vehicles	Plant and machinery
1967	1,737.7	236.5	123.7	256.1	155.4	353.2	194.6	133.0	109.0	176.2	319.6	99.5	1,318.6
1968	1,851.2 (1,800.2)*	247.1	127.7	256.0	145.8	392.2	172.2	176.7	112.2	221.3	335.9	109.2	1,406.1 (1,355.1)*
1969	1,977.5 (2,028.5)*	238.8	102.9	296.4	167.9	394.0	208.7	189.4	121.3	258.1	390.1	115.9	1,471.5 (1,522.5)*
1970	2,129.8	246.4	82.8	382.3	256.4	422.3	233.4	170.9	134.2	201.1	391.2	114.7	1,623.9
1971	1,996.6	248.6	118.5	333.9	295.6	379.4	149.4	144.4	111.2	215.6	358.5	114.3	1,523.8
1972	1,806.3	267.7	101.5	263.0	259.1	359.8	100.5	123.4	103.1	228.2	320.8	119.6	1,365.9
1973	1,924.4	287.0	68.1	216.9	223.2	468.2	124.4	169.4	110.5	256.7	326.0	129.0	1,469.4
1974	2,132.6	301.6	46.1	261.5	271.8	523.2	144.9	186.4	135.0	262.1	364.6	144.5	1,623.5
1969 1st quarter	449.6 (484.6)*	56.7	29.8	66.3	33.7	91.5	44.0	48.0	24.1	55.5	94.6	26.7	328.3 (363.3)*
2nd quarter	496.2 (505.2)*	62.1	25.5	74.2	40.5	95.8	53.8	47.8	31.6	64.9	97.0	30.7	368.5 (377.5)*
3rd quarter	513.9 (520.9)*	60.3	24.5	80.5	46.5	100.7	54.9	46.9	33.4	66.2	102.0	29.2	382.7 (389.7)*
4th quarter	517.8	59.7	23.1	75.4	47.2	106.0	56.0	46.7	32.2	71.5	96.5	29.3	392.0
1970 1st quarter	515.6	61.3	19.8	92.7	48.7	103.6	56.2	44.7	36.7	51.9	96.8	29.3	389.5
2nd quarter	536.5	65.8	21.1	94.3	59.3	107.1	59.8	44.9	33.7	50.5	99.6	29.2	407.7
3rd quarter	537.0	56.9	24.6	96.5	64.5	106.6	62.2	44.7	31.9	49.1	97.7	29.0	410.3
4th quarter	540.7	62.4	17.3	98.8	83.9	105.0	55.2	36.6	31.9	49.6	97.1	27.2	416.4
1971 1st quarter	517.3	62.1	26.6	88.9	72.5	103.8	40.9	41.6	29.0	51.9	93.5	27.8	396.0
2nd quarter	501.6	61.6	26.2	79.5	71.9	98.3	40.7	39.1	29.3	55.0	89.9	28.8	382.9
3rd quarter	499.9	63.1	32.0	84.3	77.3	91.9	36.6	32.5	27.0	55.2	86.9	28.5	384.5
4th quarter	477.8	61.8	33.7	81.2	73.9	85.4	31.2	31.2	25.9	53.5	88.2	29.2	360.4
1972 1st quarter	477.7	61.9	31.5	76.0	83.6	86.0	27.2	27.5	23.6	60.4	85.1	27.4	365.2
2nd quarter	447.4	65.2	26.8	69.8	64.8	84.9	23.7	30.5	25.7	56.0	80.3	28.5	338.6
3rd quarter	439.2	71.0	22.1	62.1	54.9	91.9	23.3	31.3	26.7	55.9	79.9	30.4	328.9
4th quarter	442.0	69.6	21.1	55.1	55.8	97.0	26.3	34.1	27.1	55.9	75.5	33.3	333.2
1973 1st quarter	474.3	75.1	20.9	56.5	58.9	107.2	29.3	38.5	28.5	59.4	78.0	32.8	363.5
2nd quarter	460.3	65.4	19.9	56.6	46.7	116.0	29.4	36.5	27.1	62.7	75.8	30.1	354.4
3rd quarter	486.5	69.5	15.2	51.8	58.3	119.7	32.1	46.4	27.5	66.0	83.6	32.2	370.7
4th quarter	503.3	77.0	12.1	52.0	59.3	125.3	33.6	48.0	27.4	68.6	88.6	33.9	380.8
1974 1st quarter	526.9	80.4	10.5	59.6	58.1	126.4	38.0	49.1	33.1	71.7	89.7	34.5	402.7
2nd quarter	529.5	78.4	9.7	61.8	69.2	127.7	36.1	45.4	34.5	66.7	89.4	36.1	404.0
3rd quarter	528.9	75.3	11.2	64.6	63.2	133.9	36.1	48.4	33.3	62.9	90.0	37.1	401.8
4th quarter	547.3	67.5	14.7	75.5	81.3	135.2	34.7	43.5	34.1	60.8	95.5	36.8	415.0
1975 1st quarter	510.6	65.0	13.2	83.0	73.7	115.0	35.1	37.5	31.8	56.3	90.4	29.5	390.7

TABLE 3 Fixed capital expenditure in the distributive and service industries (excluding shipping) at 1970 prices seasonally adjusted

£ million

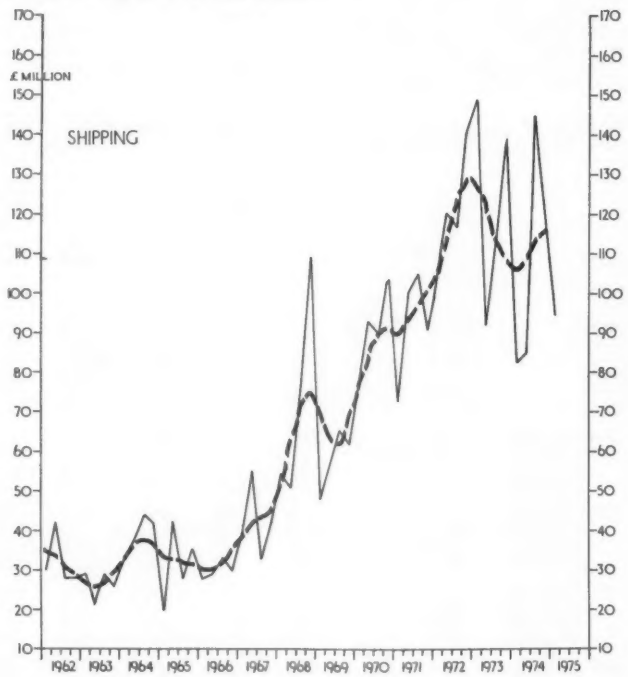
Period	Total	Analysis by industry group			Analysis by type of asset		
		Wholesale distribution	Retail distribution	Other industries	New building work	Vehicles	Plant and machinery
1967	1,407	170	225	1,012	617	338	453
1968	1,562 (1,555)*	166	283	1,113 (1,106)*	625	368	570 (563)*
1969	1,652 (1,659)*	160	295	1,197 (1,204)*	652	385	615 (622)*
1970	1,725	176	299	1,250	667	385	673
1971	1,778	185	310	1,283	747	358	673
1972	1,933	202	371	1,360	762	419	752
1973	2,038	210	410	1,418	742	468	827
1974	1,902	187	370	1,344	723	425	754
1969 1st quarter	399 (404)*	39	72	288 (293)*	158	95	145 (150)*
2nd quarter	407 (409)*	39	72	296 (298)*	162	96	150 (152)*
3rd quarter	426	41	73	312	171	94	161
4th quarter	420	41	78	302	161	100	159
1970 1st quarter	420	43	76	301	160	94	166
2nd quarter	436	47	74	316	166	98	171
3rd quarter	431	46	75	310	166	96	169
4th quarter	438	40	74	324	175	96	167
1971 1st quarter	432	44	76	313	183	87	162
2nd quarter	440	46	80	314	184	93	164
3rd quarter	455	47	78	330	192	90	173
4th quarter	450	48	76	326	189	88	174
1972 1st quarter	461	49	84	328	189	98	174
2nd quarter	483	51	89	344	191	103	190
3rd quarter	487	48	95	344	186	107	194
4th quarter	502	54	103	345	197	112	194
1973 1st quarter	514	54	97	364	194	114	206
2nd quarter	497	52	104	341	187	109	201
3rd quarter	515	52	106	358	191	121	204
4th quarter	512	52	104	356	171	125	216
1974 1st quarter	497	48	93	356	187	113	197
2nd quarter	472	46	91	335	181	104	187
3rd quarter	469	50	85	334	180	104	185
4th quarter	464	44	101	319	174	104	186
1975 1st quarter	419	39	81	300	172	87	160

TABLE 4 Fixed capital expenditure at current prices of manufacturing, distributive and service industries

£ million

Period	Total	Manufacturing industry	Distributive and service industries (excluding shipping)	Shipping industry
1967	2,862	1,485	1,237	140
1968	3,304	1,639	1,419	247
1969	3,599	1,822	1,560	217
1970	4,219	2,130	1,725	364
1971	4,493	2,191	1,918	384
1972	4,893	2,123	2,218	552
1973	5,753	2,510	2,618	625
1974	6,819	3,306	2,879	635
1969 1st quarter	792	382	372	38
2nd quarter	871	438	381	53
3rd quarter	917	473	386	57
4th quarter	1,020	530	420	70
1970 1st quarter	938	465	403	71
2nd quarter	1,034	511	428	95
3rd quarter	1,043	546	419	77
4th quarter	1,204	608	475	122
1971 1st quarter	1,038	524	450	65
2nd quarter	1,093	520	465	108
3rd quarter	1,132	561	477	94
4th quarter	1,229	586	525	119
1972 1st quarter	1,150	533	512	105
2nd quarter	1,179	494	545	140
3rd quarter	1,173	523	539	111
4th quarter	1,391	573	622	196
1973 1st quarter	1,387	585	637	165
2nd quarter	1,295	549	625	121
3rd quarter	1,401	645	641	115
4th quarter	1,670	731	715	224
1974 1st quarter	1,528	729	693	106
2nd quarter	1,560	738	689	133
3rd quarter	1,721	844	702	175
4th quarter	2,011	994	795	221
1975 1st quarter	1,757	898	726	133

Fixed capital expenditure at 1970 prices seasonally adjusted



NOTES TO TABLES

Capital expenditure comprises expenditure on vehicles (including ships) and plant and machinery less receipts from sales of these assets, and on new building work.

The analysis by industry group follows the Standard Industrial Classification Revised 1968 edition:

Manufacturing Orders III to XIX

Distributive Trades Order XXIII

Wholesale MLH 810, 811, 812, 831 ,832 (except leasing by Finance Houses and similar businesses)

Retail MLH 820, 821

Other Industries Order XX (Construction); XXII (Transport and Communication) excluding 701 – Railways, 706 – Port and Inland Water Transport, 707 – Air Transport and 708 – Postal Services and Telecommunications; XXIV (Insurance, Banking, Finance and Business Services) including leasing by Finance Houses and similar Businesses and excluding Trustee Savings Banks; XXV (Professional and Scientific Services) excluding 872 – Educational Services and 874 – Medical and Dental Services; and XXVI (Miscellaneous Services).

The estimates, with the exception of those for manufacturing industry in Table 2, are shown to the nearest £m but should not be regarded as accurate to this degree and care should be taken in using the industry figures in Tables 2 and 3 because of the margins of error involved in the quarterly seasonal adjustments. Also, there may be an apparent discrepancy between the totals and the sum of the constituent parts due to rounding.

Manufacturers' and distributors' stocks in the first quarter of 1975

Manufacturing industry

Revised figures confirm that manufacturers' stocks rose by about £50 million at 1970 prices, seasonally adjusted, in the first quarter of 1975. The pattern of offsetting movements in stocks of finished goods, which rose by about £90 million, and materials and fuel, which fell by about the same amount, is also confirmed. The estimate for the rise in work in progress has been slightly revised to about £50 million.

The major stockbuilders were the metal manufacture and engineering industry groups. There was substantial destocking in the food, drink and tobacco industry, and in the residual group of 'other manufacturing' industries.

A revision to the index of production has led to a revised estimate of the stocks/output ratio of 103.2 at the end of March.

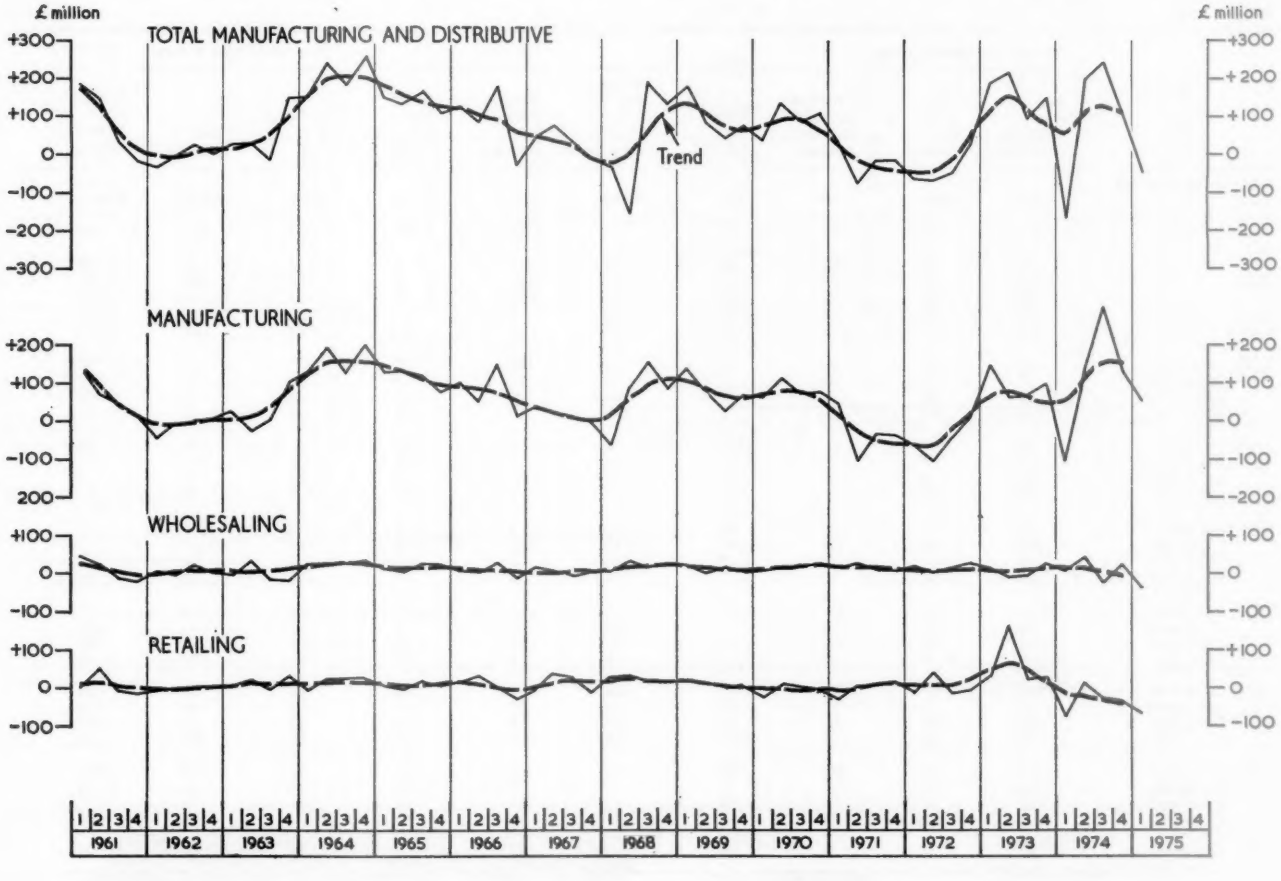
Distributive industries

Revised figures indicate that wholesalers' stocks fell by £35 million, at 1970 prices, seasonally adjusted, in the first quarter of 1975; this reduction is £6 million more than the provisional estimate. The decline was attributable to a very large fall in stocks held by general wholesale distributors, partly offset by an appreciable increase in stocks for dealers in coal, builders' materials, etc. Retailers' stocks declined by £65 million, at 1970 prices, seasonally adjusted, in the first quarter of 1975.

Note

The estimation of physical change in stock is subject to greater error when price increases are larger, and this should be borne in mind in using the figures.

Value of physical increase in industry's stocks at 1970 prices seasonally adjusted



Government Publications in Wales

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Her Majesty's Stationery Office, 41 The Hayes, Cardiff, CF1 1JW

TABLE 1 Value of physical increase of manufacturers' and distributors' stocks at 1970 prices seasonally adjusted

£ million

	Total	Manu-facturing	Wholesaling	Retailing
Level of stocks at end 1974	14,149	10,524	1,814	1,811
1969	385	310	42	33
1970	369	324	68	−23
1971	−78	−126	52	−4
1972	−153	−205	48	3
1973	647	374	32	242
1974	391	468	47	−124
1969 1st quarter	178	138	22	18
2nd quarter	86	77	1	9
3rd quarter	44	27	19	−2
4th quarter	77	68	1	8
1970 1st quarter	39	63	5	−29
2nd quarter	136	110	18	7
3rd quarter	88	72	16	—
4th quarter r	106	78	29	−1
1971 1st quarter	31	49	14	−32
2nd quarter	−75	−104	26	3
3rd quarter	−18	−35	9	8
4th quarter	−16	−37	3	17
1972 1st quarter	−61	−62	17	−16
2nd quarter	−67	−106	1	38
3rd quarter	−49	−42	6	−13
4th quarter	25	7	24	−6
1973 1st quarter	189	146	11	32
2nd quarter	215	61	−9	163
3rd quarter	96	68	6	22
4th quarter	148	99	24	25
1974 1st quarter	−165	−100	8	−73
2nd quarter	191	138	42	11
3rd quarter	245	299	−27	−28
4th quarter	120	130	23	−34
1975 1st quarter r	−48	51	−35	−65

TABLE 2 Value of the physical increase of stocks held by manufacturing industry at 1970 prices seasonally adjusted

£ million

	Analysis by industry group							Analysis by type of asset		
	All manu-facturing industries	Food, drink and tobacco	Chemicals, coal and petroleum products	Metal manu-facture	Engineer-ing, ship-building, vehicles and metal goods	Textiles, leather and clothing	Other manu-facturing industries	Materials and fuel	Work in progress	Finished goods
Level of stocks at end 1974	10,524	1,379	1,142	728	5,178	914	1,183	3,899	4,063	2,562
1969	310	33	75	−15	73	76	69	87	26	197
1970	324	11	43	50	222	1	−2	113	122	88
1971	−126	4	17	2	−137	−14	2	−119	−96	88
1972	−205	22	5	−50	−153	−42	14	−38	−8	−159
1973	374	74	81	−52	240	8	23	270	235	−131
1974	468	35	173	13	130	38	79	194	85	189
1969 1st quarter	138	11	21	3	59	26	18	37	43	58
2nd quarter	77	−3	16	1	32	11	19	46	−15	45
3rd quarter	27	37	2	−13	−44	24	22	−9	2	34
4th quarter	68	−12	35	−6	26	15	11	13	−5	60
1970 1st quarter	63	5	21	−5	26	6	10	21	8	35
2nd quarter	110	6	3	17	86	4	−5	54	57	−1
3rd quarter	72	6	13	15	44	—	−5	32	17	22
4th quarter	78	−6	5	23	67	−9	−1	6	40	32
1971 1st quarter	49	4	−2	38	−2	3	7	−3	−11	63
2nd quarter	−104	−9	13	−30	−48	−28	−2	−44	−67	7
3rd quarter	−35	−11	3	−9	−22	5	−2	−39	—	4
4th quarter	−37	19	4	2	−65	5	−1	−33	−18	14
1972 1st quarter	−62	4	19	−47	−9	−16	−14	−4	13	−71
2nd quarter	−106	14	−25	1	−104	−5	12	−61	5	−51
3rd quarter	−42	−2	14	−5	−32	−13	−5	−6	−5	−32
4th quarter	7	6	−4	—	−9	−8	21	32	−21	−5
1973 1st quarter	146	−4	23	−4	105	−13	38	78	107	−39
2nd quarter	61	9	25	−8	33	10	−8	63	34	−36
3rd quarter	68	33	29	−14	24	1	−4	44	73	−49
4th quarter	99	36	4	−27	79	10	−3	86	21	−8
1974 1st quarter	−100	−3	55	−49	−71	−7	−25	47	−16	−131
2nd quarter	138	17	22	8	4	39	48	44	15	79
3rd quarter	299	38	77	25	98	16	46	103	70	127
4th quarter	130	−17	19	29	99	−10	10	--	17	114
1975 1st quarter r	51	−37	5	64	50	−8	−22	−92	51	92

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TABLE 3 Value of the physical increase of stocks held by wholesalers at 1970 prices seasonally adjusted £ million

	Total wholesalers	General wholesale distributors	Dealers in coal, builders materials, etc.	Dealers in industrial materials and machinery
Level of stocks at end 1974	1,814	1,114	155	545
1960	75	43	6	27
1961	41	27	1	14
1962	31	5	5	21
1963	35	14	7	14
1964	118	62	17	39
1965	67	30	7	31
1966	28	21	—	7
1967	17	9	—	8
1968	85	57	4	25
1969	42	19	−2	26
1970	68	15	—	53
1971	52	41	−3	14
1972	48	41	11	−3
1973	32	88	4	−60
1974	47	−24	−9	80
1969 1st quarter	22	14	−1	9
2nd quarter	1	−13	−1	14
3rd quarter	19	14	2	3
4th quarter	1	4	−2	−1
1970 1st quarter	5	−3	1	6
2nd quarter	18	10	−3	11
3rd quarter	16	−4	−2	21
4th quarter	29	11	4	14
1971 1st quarter	14	3	1	11
2nd quarter	26	20	1	5
3rd quarter	9	12	—	−3
4th quarter	3	6	−4	2
1972 1st quarter	17	2	1	14
2nd quarter	1	4	2	−5
3rd quarter	6	22	2	−18
4th quarter	24	13	7	5
1973 1st quarter	11	30	—	−19
2nd quarter	−9	6	6	−22
3rd quarter	6	29	2	−25
4th quarter	24	23	−4	5
1974 1st quarter	8	12	−2	−1
2nd quarter	42	19	2	21
3rd quarter	−27	−38	−6	17
4th quarter	23	−16	−3	43
1975 1st quarter r	−35	−56	20	1

TABLE 4 Increase in the book value of manufacturers' and distributors' stocks £ million

	Total	Manufacturing	Wholesaling	Retailing
Level of stocks at end 1974	24,419	18,464	3,233	2,722
1960	647	543	60	44
1961	375	274	40	61
1962	85	24	30	31
1963	294	200	44	50
1964	891	670	136	85
1965	694	571	73	50
1966	586	480	51	55
1967	282	180	47	55
1968	875	581	138	156
1969	988	766	104	118
1970	1,310	1,038	162	110
1971	788	489	160	139
1972	907	566	217	124
1973	3,092	2,294	472	326
1974	6,008	4,920	715	373
1969 1st quarter	302	220	16	66
2nd quarter	255	203	18	34
3rd quarter	183	124	65	−6
4th quarter	248	220	4	24
1970 1st quarter	325	288	16	20
2nd quarter	354	293	26	36
3rd quarter	268	174	78	16
4th quarter	364	284	43	38
1971 1st quarter	265	215	29	21
2nd quarter	301	185	60	56
3rd quarter	117	33	70	14
4th quarter	105	57	—	48
1972 1st quarter	78	47	5	27
2nd quarter	188	100	25	63
3rd quarter	239	135	106	−1
4th quarter	402	285	82	35
1973 1st quarter	521	411	41	69
2nd quarter	604	488	58	58
3rd quarter	864	580	209	75
4th quarter	1,103	815	164	124
1974 1st quarter	1,665	1,417	197	50
2nd quarter	1,760	1,387	206	167
3rd quarter	1,376	1,142	170	64
4th quarter	1,208	974	142	92
1975 1st quarter r	962	912	−17	67

Book Values exclude VAT. Purchase Tax payable on retailers' stock prior to the second quarter of 1973.

Notes relating to Tables 1 to 4

The analysis by industry group follows the Standard Industrial Classification (1968 edition)

Manufacturing Orders III to XIX

Distributive Trades Order XXIII:

Wholesale MLH 810, 811, 812, 831, 832 (except leasing by Finance Houses)
Retail MLH 820, 821

The estimates are shown to the nearest £ million but should not be regarded as accurate to this degree and care should be taken in using the industry figures in Tables 2 and 3 because of the margin of error involved in quarterly seasonal adjustments. Differences between totals and the sum of constituent parts are due to rounding.

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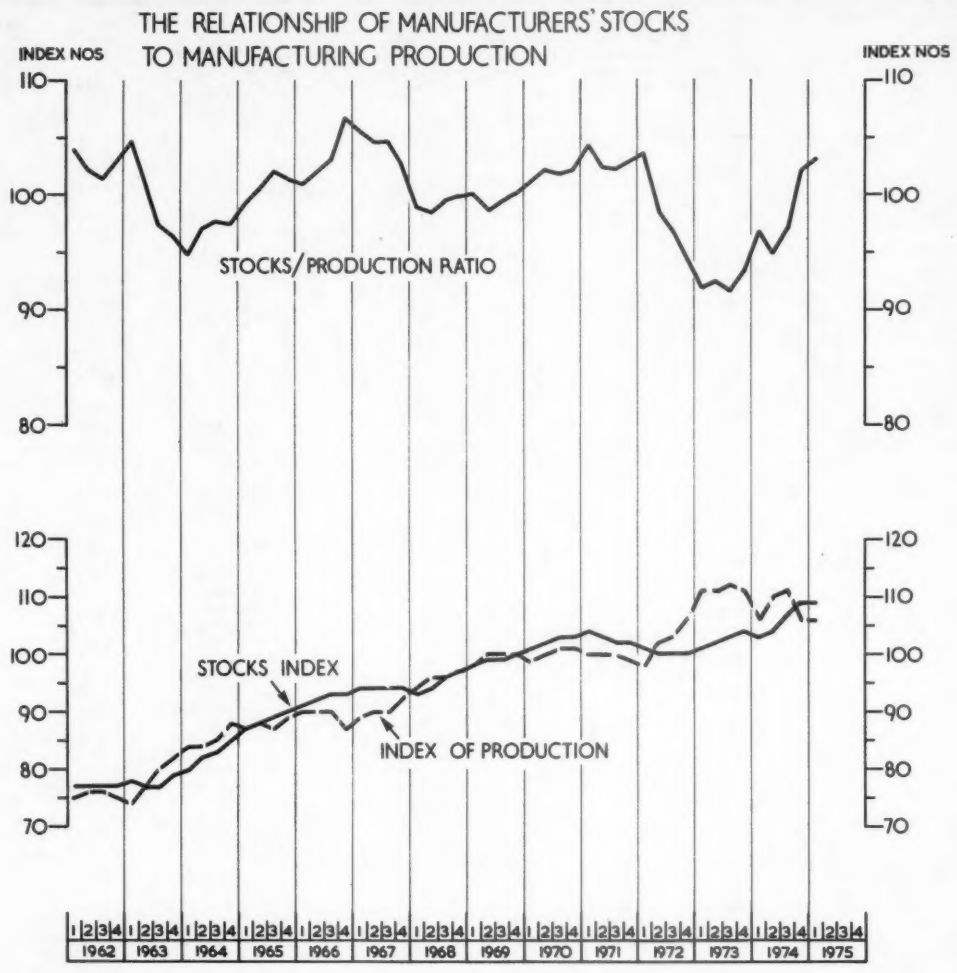
TABLE 5 The relationship of manufacturers' stocks to manufacturing production

Index numbers – 4th quarter 1969 = 100
Seasonally adjusted

	Stock levels at 1970 prices	Production (with 1970 net output weight)	Ratio of stocks to production
1962 Q 1	77	75	103.9
2	77	76	102.2
3	77	76	101.4
4	77	75	102.9
1963 Q 1	78	74	104.7
2	77	77	100.6
3	77	80	97.3
4	79	82	96.3
1964 Q 1	80	84	94.8
2	82	84	97.1
3	83	85	97.7
4	85	88	97.4
1965 Q 1	87	87	99.2
2	88	88	100.4
3	89	87	102.0
4	90	89	101.3
1966 Q 1	91	90	100.9
2	92	90	101.9
3	93	90	103.1
4	93	87	106.7
1967 Q 1	94	89	105.4
2	94	90	104.6
3	94	90	104.5
4	94	92	102.6
1968 Q 1	93	94	98.8
2	94	96	98.4
3	96	96	99.5
4	97	97	99.8
1969 Q 1	98	98	100.0
2	99	100	98.7
3	99	100	99.5
4	100	100	100.0
1970 Q 1	101	99	101.2
2	102	100	102.2
3	103	101	101.9
4	103	101	102.2
1971 Q 1	104	100	104.3
2	103	100	102.4
3	102	100	102.3
4	102	99	102.9
1972 Q 1	101	98	103.6
2	100	102	98.5
3	100	103	96.9
4	100	106	94.3
1973 Q 1	101	111	91.8
2	102	111	92.3
3	103	112	91.6
4	104	111	93.4
1974 Q 1	103	106	96.7
2	104	110	94.9
3	107	111	97.1
4	109	106	102.2
1975 Q 1r	109	106	103.2



(1) The index numbers of the level of stocks relate to the end of each quarter: the index of production refers to production during the quarter.
(2) The 1970 index of production has been rebased on the fourth quarter of 1969 for the purpose of this table.
(3) The index numbers of the stocks production ratio are calculated from unrounded estimates of the data in the previous two columns.

Statistical survey of industrial fuel and energy use

The results of a survey by the Confederation of British Industry and the Department of Energy into industrial fuel and energy use are contained in a report published on 1 July.

The report 'A Statistical Survey of Industrial Fuel and Energy Use' is based on replies to a questionnaire sent to industrial members of the CBI. It gives information on:

Fuel consumption by type of industry and size of establishment

the types and quantities of fuels used for specific purposes such as process heat and space heating

patterns of past and projected fuel changes

fuel stocks and stocking capacities

industries' opinions on energy investigations carried out by consultants and their own staff

the relationship of energy consumption and costs to the cost of goods sold

The questionnaire was drawn up jointly by the CBI and the Department of Energy and was sent to about 4,700 firms on 1 July 1974. About 1,500 completed questionnaires were returned and of those 1,250 (including 63 from non-manufacturing industries) were suitable for computer anlaysis by the Department of Energy. The survey should be a useful background for future work on industrial energy consumption.

A summary of the processed results is published in 10 pages of explanatory text and 20 pages of tables.

The survey was originally designed to provide a data base for use by the Government and CBI in considering energy policy planning and its effects on an industry, and emergency measures. Because of the interest shown by industry and organisations it was decided to publish a selection of the results of the survey. Additional information will be available under special data processing contracts. The confidentiality and identity of individual replies to the survey will be preserved.

The survey – price £2.00 – is available from the Print and Publications Department, Confederation of British Industry, 21 Tothill Street, London SW1H 9LP.

Office equipment: new comprehensive Business Monitor

Until now it has not been possible to obtain from one central source comprehensive information about the office equipment market. This is because statistics of sales and overseas trade in the various classes of equipment appear in a number of Business Monitors according to the industry in which they are principally manufactured. To assess the full range of these products, therefore, the user has previously had to gather this information from the separate publications, but now this work has been done by the Business Statistics Office.

Following discussions with the Business Equipment Trade Association, a new quarterly Business Monitor, PQ 1005, Office equipment, has now been published by the BSO. This brings together the various types of equipment, with individual products from 10 Business Monitors covering the following industries:

Electronic computer equipment
Office machinery
Document copying machines
Dictating machines
Private telephone exchange equipment
Office furniture (metal and wooden)
Business forms (loose-leaf and filing supplies)
Paper fasteners, clips, etc.
Miscellaneous stationers' goods

Business Monitor PQ 1005 gives, in all cases, details of sales by manufacturers in the United Kingdom, together with relevant information, as available, on exports and imports. In all, the new publication contains five tables: (1) Manufacturers' sales; (2) the export content of Table 1, where available; (3) export data from the Overseas Trade Statistics, in other cases; (4) import information from the Overseas Trade Statistics, and (5) a summary table bringing together this information in broad product groups. The new Business Monitor does not of course replace the individual Business Monitors, most of which cover a broader spectrum of products than office equipment.

The first issue of this Business Monitor, relating to the fourth quarter of 1974, is now available and may be obtained from the Business Statistics Office Library, Business Statistics Office, Cardiff Road, Newport, Gwent, NPT 1XG (tel. 0633 56111, ext. 2973). Subsequent issues will be available on subscription from Her Majesty's Stationery Office, PO Box 569, London SE1 9NH, at 52p per annum.

As an indication of its coverage, the summary table from the first issue of the new Business Monitor is reproduced below. Much greater detail will, of course, be found in the publication itself.

Total sales, exports and imports of office equipment: summary [a]

£ thousand

	1974 (p)			1974 3rd quarter (r)			1974 4th quarter (p)		
	(1) Total	(2) Exports	(3) Imports	(1) Total	(2) Exports	(3) Imports	(1) Total	(2) Exports	(3) Imports
Electronic computer equipment	392,576	210,378 (b)	345,913	115,193	59,957 (b)	88,747	99,123	51,810 (b)	97,442
Office machinery	142,415	83,987 (b)	96,711	34,518	21,062 (b)	15,894	46,045	28,501 (b)	24,798
Document copying machines, microfilm equipment and photographic equipment (other than cameras and projectors, chemicals and sensitised materials)	90,971	67,894 (c)	50,664	22,745	17,250 (c)	12,942	21,221	16,218 (c)	16,051
Dictating machines	14	5,375 (c)	6,969	—	2,003 (c)	1,919	—	2,275 (c)	1,515
Private telephone and exchange equipment	40,990	3,566 (b)	4,149	10,269	1,016 (b)	670	12,369	1,398 (b)	756
Office furniture:									
Metal	37,990	6,537 (c)	6,823	9,170	1,572 (c)	1,628	10,170	2,045 (c)	1,897
Wooden	32,112	19,668 (c)	18,311	8,335	5,036 (c)	4,108	7,892	6,084 (c)	5,199
Total	70,102	26,205 (c)	25,134	17,505	6,608 (c)	5,736	18,062	8,129 (c)	7,096
Business forms, loose leaf and filing supplies	163,370	615 (c)	623	42,021	129 (c)	184	46,749	210 (c)	157
Miscellaneous stationers goods (d)	80,180	26,861 (c)	20,343	20,149	7,006 (c)	5,196	22,523	7,749 (c)	5,511
Total office equipment as defined above	980,618	424,881	550,506	262,400	115,031	131,288	266,092	116,290	153,326

(a) The figures in column 1 are drawn from Table 1 of the Monitor and refer to total sales by United Kingdom manufacturers. Of the figures in column 2, those marked (b) are export sales by United Kingdom manufacturers, drawn from Table 2 and included in total sales. These groups of figures are based on returns made to the Business Statistics Office under the Statistics of Trade Act, 1947. The figures in column 2 marked (c), and all figures in column 3, are gathered from the Overseas Trade Statistics and refer to exports (fob) and imports (cif) respectively. Owing to the different bases of compilation, columns 1 and 2 (b) are not directly comparable with columns 2 (c) and (3).
(d) Including paper fasteners, etc.

Business Monitor

The following titles and issues of Business Monitor are now available:

Production series

Monthly at £1.40 each a year post free:

PM 33-36 Engineering (volume indices of sales and orders) for March 1975
PM 440 Made-up clothing (sales volume indices) for March 1975

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PQ 349.1 Ball, roller, plain and other bearings for first quarter 1975
PQ 351 Photographic and document copying equipment for first quarter 1975
PQ 431 Leather (tanning and dressing) and fellmongery for first quarter 1975
PQ 450 Footwear for first quarter 1975
PQ 469.1 Abrasives for first quarter 1975
PQ 480 Packaging products for fourth quarter 1974
PQ 491 Rubber manufactures for fourth quarter 1974

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Monthly at £7.35 a year post free:

M1 Motor vehicle registrations for May 1975

Business Monitors in the Production series and Miscellaneous series, and certain Monitors (Nos SD1 to SD9) in the Service and Distributive series, are normally available by annual subscription from Her Majesty's Stationery Office, PO Box 569, London SE1 9NH. Copies of specific issues (including back issues) can be ordered by post (payable in advance) from the Library at the Business Statistics Office, Cardiff Road, Newport, Gwent NPT 1XG (tel. 0633 56111 ext. 2973: telex 497121/497122 – Answer back BSO Newport), from which a complete list of the titles of Business Monitors is available on application. Exceptionally, copies can be purchased over the counter (for cash) at either the Department of Industry Central Library, 1 Victoria Street, London SW1H 0ET, or the Department's Statistics and Market Intelligence Library, Export House, 50 Ludgate Hill, London EC4M 7HU.

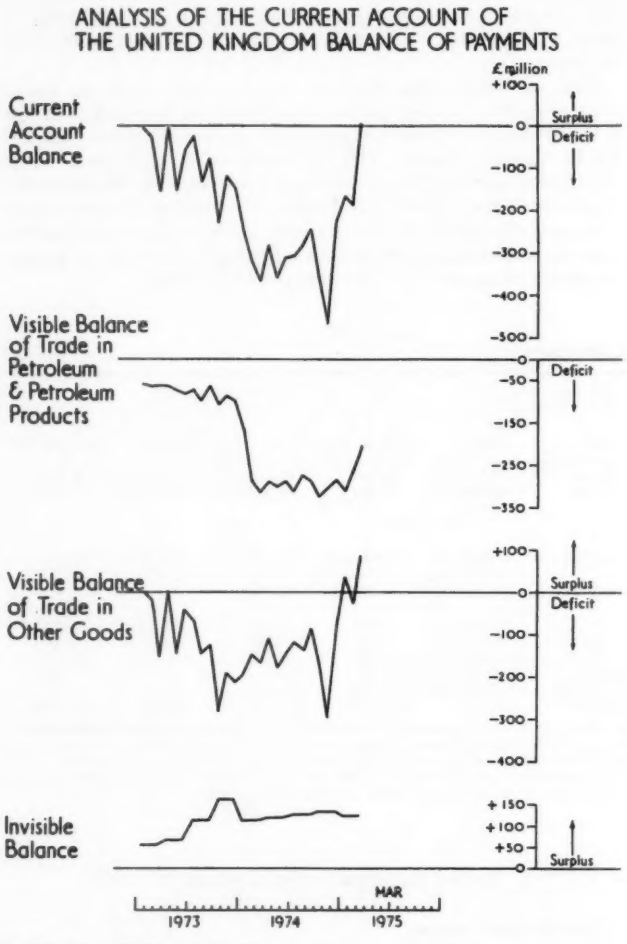
The Census of Production reports and the Census of Distribution reports (published as Business Monitors SD10 to SD23) are available on standing order from Her Majesty's Stationery Office, PO Box 569, London SE1 9NH, or can be purchased separately from the Government Bookshops or through booksellers.

United Kingdom trade in the first quarter of 1975

VISIBLE BALANCE

In the first quarter of 1975, the balance of visible trade was in deficit by £716 million compared with £1,454 million in the fourth quarter of last year. The deficit in the first quarter was partly offset by net invisible earnings of £374 million. The improvement in the visible deficit was reflected in both the balance on trade in non-oil goods, which moved from a deficit of £535 million in the fourth quarter of 1974 to a surplus of £65 million in the first quarter of this year, and also in oil trade, for which the deficit decreased from £919 million, to £781 million between the same periods reflecting the continuing reduction in the volume of imports of crude petroleum.

The substantial reduction in the visible deficit mainly resulted



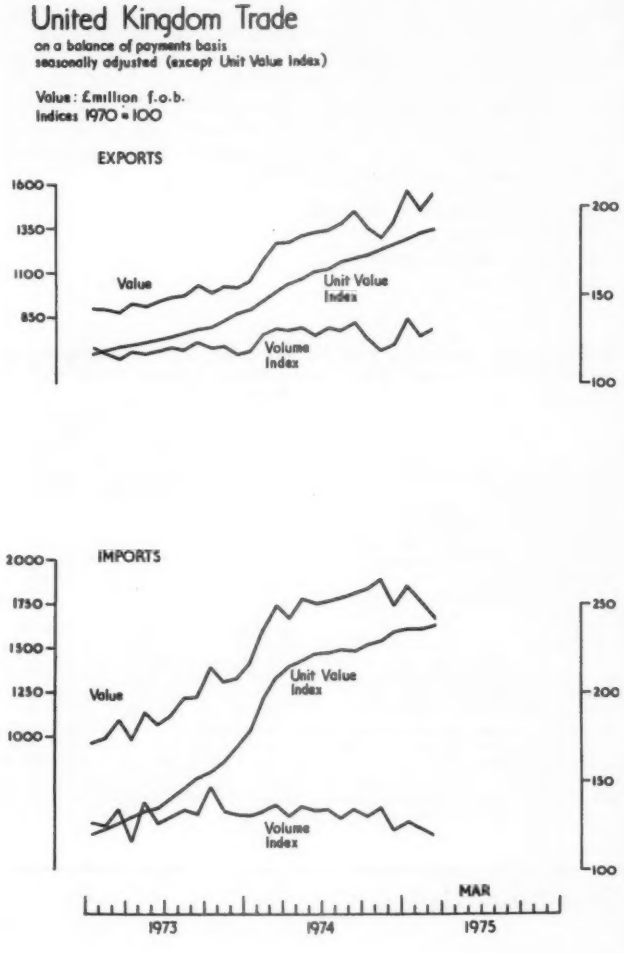


TABLE 1 Visible Trade †

Seasonally adjusted values §

£ million

	Exports			Imports				
	Overseas Trade Statistics basis fob	Coverage adjustments	Balance of payments basis fob	Overseas Trade Statistics basis cif	Freight insurance and other valuation adjustments	Coverage adjustments‡	Balance of payment basis fob	Visible balance
1970	8,061	−154	7,907	9,037	−901	−218	7,918	−11
1971	9,181	−380	8,801	9,821	−997	−297	8,528	+274
1972	9,746	−598	9,147	11,138	−1,033	−275	9,830	−683
1973	12,454	−942	11,512	15,840	−1,385	−642	13,813	−2,301
1974	16,494	−905	15,589	23,117	−1,635	−634	20,848	−5,259
1973 1st quarter	2,875	−190	2,685	3,442	−310	−93	3,039	−354
2nd quarter	2,995	−207	2,788	3,668	−331	−148	3,189	−401
3rd quarter	3,234	−243	2,991	4,129	−355	−213	3,560	−569
4th quarter	3,350	−302	3,048	4,601	−388	−188	4,025	−977
1974 1st quarter	3,687	−187	3,500	5,349	−422	−148	4,779	−1,279
2nd quarter	4,096	−196	3,900	5,857	−419	−223	5,216	−1,316
3rd quarter	4,427	−266	4,161	5,926	−397	−157	5,371	−1,210
4th quarter	4,284	−255	4,029	5,985	−398	−105	5,482	−1,454
1975 1st quarter	4,838	−266	4,571	5,825	−405	−133	5,287	−716

† See note 1(c).
§ Components and totals are rounded independently.
‡ Including adjustments for arrivals of and payments for United States military aircraft, etc.

from a rise in the volume of exports and a fall in the volume of imports. In addition, however, two industrial disputes in March – the dispute at the Port of London, which affected the movement of goods during the whole of the month, and the fishermen's blockade of east coast ports, which took place at the end of the month – had an apparently favourable effect on the balance of trade in that month since they reduced the import figures rather more than the export figures. The recorded figures of imports corresponded closely to the arrival of goods during the calendar month and were therefore subject to the full effects of the dispute. The recorded figures of exports in March, however, related on average to transactions in the period from mid-February to mid-March and were therefore rather less affected. Imports of crude oil were not appreciably affected by these disputes.

The export volume index rose by 8 per cent between the fourth quarter of 1974 and the first quarter of this year, returning to the level reached in the third quarter of last year. The volume of imports fell sharply in the first quarter, by 5 per cent, continuing the falling trend experienced throughout 1974. The index for the first quarter, however, has been distorted to some extent by the industrial disputes in March. In addition to those favourable movements in the volume of trade, the terms of trade rose by 2 per cent in the first quarter, as the result of a 5 per cent increase in the export unit value index compared with a 3 per cent rise in the import unit value index. This continued the recovery in the terms of trade from the lowest level reached in the second quarter of 1974.

TABLE 2

Seasonally adjusted — £ million

	Visible balance:		
	Petroleum and petroleum products	Other goods	Total
1970	−479	+468	−11
1971	−650	+923	+274
1972	−658	−25	−683
1973	−941	−1,360	−2,301
1974	−3,446	−1,813	−5,259
1973 1st quarter	−188	−166	−354
2nd quarter	−220	−181	−401
3rd quarter	−237	−332	−569
4th quarter	−296	−681	−977
1974 1st quarter	−770	−509	−1,279
2nd quarter	−881	−435	−1,316
3rd quarter	−876	−334	−1,210
4th quarter	−919	−535	−1,454
1975 1st quarter	−781	+65	−716

AREA ANALYSIS OF THE VISIBLE TRADE BALANCE

The reduction in the visible trade balance between the fourth quarter of 1974 and the first quarter of this year was mainly concentrated on trade with countries other than the EEC(8). The deficit with the EEC(8) improved only slightly, from £575 million to £566 million, while the balance on trade with the rest of Western Europe moved from a deficit of £119 million to a surplus of £58 million. The deficit with North America fell from £202 million to £166 million between the two quarters and the deficit on trade with the rest of the world in aggregate showed a marked reduction from £577 million to £42 million.

The small improvement in the visible balance with the EEC(8) resulted from a reduction in the deficit on the non-oil trade from £499 million to £482 million, partly offset by a small increase in the deficit on trade in oil to £85 million. In contrast, for the rest of the world in aggregate the oil deficit fell from £843 million to £696 million while the balance on trade in other goods changed from a deficit of £36 million in the fourth quarter of last year to a surplus of £547 million in the first quarter of 1975.

TABLE 3 Visible trade on balance of payments basis area analysis

Seasonally adjusted values — £ million

	EEC			Rest of Western Europe			North America			Rest of World			Total – All Areas		
	Exports	Imports	Visible balance	Exports	Imports	Visible balance	Exports	Imports	Visible balance	Exports	Imports	Visible balance	Exports	Imports	Visible balance
1970	2,265	2,181	+84	1,342	1,198	+144	1,109	1,598	−489	3,191	2,941	+250	7,907	7,918	−11
1971	2,502	2,654	−152	1,351	1,221	+130	1,321	1,497	−176	3,627	3,156	+428	8,801	8,528	+274
1972	2,723	3,252	−529	1,510	1,598	−88	1,449	1,529	−80	3,465	3,451	+14	9,147	9,830	−683
1973	3,619	4,768	−1,149	2,040	2,322	−282	1,687	1,945	−258	4,166	4,778	−612	11,512	13,813	−2,301
1974	5,118	7,136	−2,018	2,710	3,058	−348	1,980	2,686	−706	5,781	7,968	−2,187	15,589	20,848	−5,259
1973 1st quarter	807	992	−185	477	517	−40	426	443	−17	975	1,087	−112	2,685	3,039	−354
2nd quarter	860	1,126	−265	477	513	−36	428	453	−25	1,023	1,097	−74	2,788	3,189	−401
3rd quarter	938	1,280	−343	539	631	−92	401	481	−80	1,113	1,168	−55	2,991	3,560	−569
4th quarter	1,014	1,370	−356	547	661	−114	432	568	−136	1,055	1,426	−371	3,048	4,025	−977
1974 1st quarter	1,163	1,642	−479	646	697	−51	466	614	−148	1,225	1,826	−601	3,500	4,779	−1,279
2nd quarter	1,333	1,745	−412	652	733	−81	487	679	−192	1,428	2,059	−631	3,900	5,216	−1,316
3rd quarter	1,315	1,867	−552	721	818	−97	524	691	−167	1,601	1,995	−394	4,161	5,371	−1,210
4th quarter	1,307	1,882	−575	691	810	−119	503	705	−202	1,528	2,085	−557	4,029	5,482	−1,454
1975 1st quarter	1,384	1,951	−566	777	719	+58	543	709	−166	1,867	1,909	−42	4,572	5,287	−716

See note 1(b) and (f)

TABLE 4 Analysis of visible trade

Seasonally adjusted — £ million

	EEC(8)						Rest of World (Total – EEC (8))						Total – All Areas					
	Trade in petroleum and petroleum products			Trade in other goods			Trade in petroleum and petroleum products			Trade in other goods			Trade in petroleum and petroleum products			Trade in other goods		
	Exports	Imports	Visible balance	Export	Imports	Visible balance	Exports	Imports	Visible balance	Exports	Imports	Visible balance	Exports	Imports	Visible balance	Exports	Imports	Visible balance
1970	83	136	−53	2,182	2,045	+137	93	519	−426	5,549	5,218	+331	176	655	−479	7,731	7,263	+468
1971	109	150	−41	2,393	3,504	−111	103	712	−609	6,196	5,162	+1,034	212	862	−650	8,589	7,666	+923
1972	113	164	−51	2,610	3,088	−478	106	713	−607	6,318	5,865	+453	219	877	−658	8,928	8,953	−25
1973	178	232	−54	3,441	4,536	−1,095	162	1,049	−887	7,730	7,995	−265	340	1,281	−941	11,171	12,531	−1,360
1974	414	632	−218	4,704	6,504	−1,800	282	3,510	−3,228	10,189	10,202	−13	696	4,142	−3,446	14,893	16,706	−1,813
1973 1st quarter	31	46	−15	776	946	−170	25	198	−173	1,853	1,849	+4	56	244	−188	2,629	2,795	−166
2nd quarter	25	60	−35	835	1,066	−231	33	218	−185	1,895	1,845	+50	58	278	−220	2,730	2,911	−181
3rd quarter	55	67	−12	883	1,213	−330	55	280	−225	1,998	2,000	−2	110	347	−237	2,881	3,213	−332
4th quarter	67	59	+8	947	1,311	−364	50	354	−304	1,984	2,301	−317	117	413	−296	2,931	3,612	−681
1974 1st quarter	79	110	−31	1,084	1,532	−448	50	789	−739	2,287	2,348	−61	129	899	−770	3,371	3,880	−509
2nd quarter	113	154	−41	1,220	1,591	−371	93	933	−840	2,474	2,538	−64	206	1,087	−881	3,694	4,129	−435
3rd quarter	123	193	−70	1,192	1,674	−482	70	876	−806	2,776	2,628	+148	193	1,069	−876	3,968	4,302	−334
4th quarter	99	175	−76	1,208	1,707	−499	69	912	−843	2,653	2,689	−36	168	1,087	−919	3,861	4,396	−535
1975 1st quarter	95	180	−85	1,289	1,771	−482	63	759	−696	3,125	2,578	+547	158	939	−781	4,414	4,349	+65

EXPORTS

The value of exports in the first quarter of 1975 was £4,571 million seasonally adjusted on a balance of payments basis, a rise of 13 per cent compared with the previous quarter when they had fallen markedly from their third quarter level. The volume of shipments increased by 7 per cent to its level in the third quarter of 1974, while prices were 5 per cent higher.

The effects of the industrial action at the Port of London in March is not fully reflected in the first quarter's figures because of the way in which exports are recorded. The figures for any period relate to the documents received in the Statistical Office of HM Customs and Excise up to a few days before the end of the period. Given the average lag of around two weeks between the physical export and the receipt of its associated documentation, a large part of any reduction in exports arising from the industrial action in March would only be apparent in the figures for later months.

The rise of 7 per cent in the volume of UK exports in the first quarter of this year, which in part was erratic, may have been somewhat greater than the growth in world trade in manufactures in the same period. The UK's share of the value of world trade, which is provisionally estimated to have held at just under 9 per cent since the last quarter of 1973, may well have been maintained at about the same level in the first quarter of this year.

The increase in exports in the first quarter of 1975 was widespread among our major markets, although the rate of growth was slower among the developed countries than elsewhere, reflecting partly the depressed conditions in some of the industrialised economies. Deliveries to the EEC rose by 8 per cent and there were rises of 10 per cent and 6 per cent respectively in exports to the rest of Western Europe and North America. Shipments to the other developed countries in aggregate (ie Australia, New Zealand, South Africa and Japan) rose by 1 per cent. Exports to the developing countries in aggregate increased by 23 per cent, with shipments to Latin America 41 per cent higher and the Middle East and North Africa 21 per cent higher.

Among major commodities the value of exports of manufactured goods rose by 10 per cent in the first quarter with both increased values and prices contributing. Within this broad category there was a sharp rise of 20 per cent in the value of exports of machinery with volume being 12 per cent higher. The value of exports of transport equipment rose by 9 per cent, with volume increasing by 4½ per cent and unit value by 7 per cent. Deliveries of chemicals and textiles were both reduced in value terms by 2 per cent and 1 per cent respectively, resulting from lower volumes of exports, while exports of metals and miscellaneous metal manufactures increased by 6½ per cent with both volume and price rises contributing. Among non-manufactured goods, the value of which rose by 21 per cent, there was a large rise of 48 per cent in exports of food, beverages and tobacco, reflecting in part a recovery from the low level of deliveries in the final quarter of 1974. Exports of fuels fell by 1½ per cent with a reduced volume being partly offset by higher prices.

TABLE 5 Changes in value, volume and unit values of exports and imports on balance of payments basis

Seasonally adjusted except Unit Values

	Exports fob			Imports fob			Terms of trade**
	Value	Volume Index	Unit Value Index	Value	Volume Index	Unit Value Index	
	£m.	1970 = 100		£m.	1970 = 100		1970 = 100
1970	7,907	100.0	100.0	7,918	100.0	100.0	100.0
1971	8,801	106.6	105.6	8,528	104.2	104.7	100.8
1972	9,147	106.6	111.1	9,830	116.3	109.7	101.3
1973	11,512	119.2	126.0	13,813	131.4	139.7	90.2
1974	15,589	127.6	162.7	20,848	133.0	217.6	74.8
1973 1st quarter	2,685	117.7	119.3	3,039	128.8	123.4	96.7
2nd quarter	2,788	118.6	123.8	3,189	127.1	133.1	93.0
3rd quarter	2,991	121.0	129.1	3,560	132.3	146.7	88.0
4th quarter	3,048	119.7	136.1	4,025	137.3	162.0	84.0
1974 1st quarter	3,500	126.8	147.2	4,779	134.3	195.5	75.3
2nd quarter	3,900	129.4	159.9	5,216	133.6	218.8	73.1
3rd quarter	4,161	131.8	168.1	5,371	133.3	224.4	74.9
4th quarter	4,029	122.4	175.8	5,482	130.9	231.3	76.0
1975 1st quarter	4,571	131.8	184.9	5,287	124.5	237.9	77.7

** Export Unit Value Index as percentage of the Import Unit Value Index.

Area pattern of exports

During the first quarter of 1975 exports to the EEC increased in value by 8 per cent over the previous quarter to £1,521 million: this represented 31 per cent of total exports by value against 33 per cent the previous quarter. Exports to the rest of Western Europe rose to £823 million, 10 per cent up on the fourth quarter of 1974.

Within the EEC the country to which our exports rose fastest in the first quarter was West Germany, our largest market within the Community, reaching £304 million, 21 per cent up on the last quarter of 1974. Increased shipments were in evidence in most major commodities with machinery, fuels and food being particularly marked. These more than compensated falls in the value of exports of chemicals and miscellaneous manufactures. Exports to Belgium and Luxembourg, having remained almost static through the second half of 1974, dropped 10 per cent in the first quarter to £201 million. This fall was due in part to a slackening of the diamond trade and a fall in the value of chemicals despatched in line with a generally depressed world demand for the commodity. Although the amounts remained small, exports of food and basic materials showed some growth.

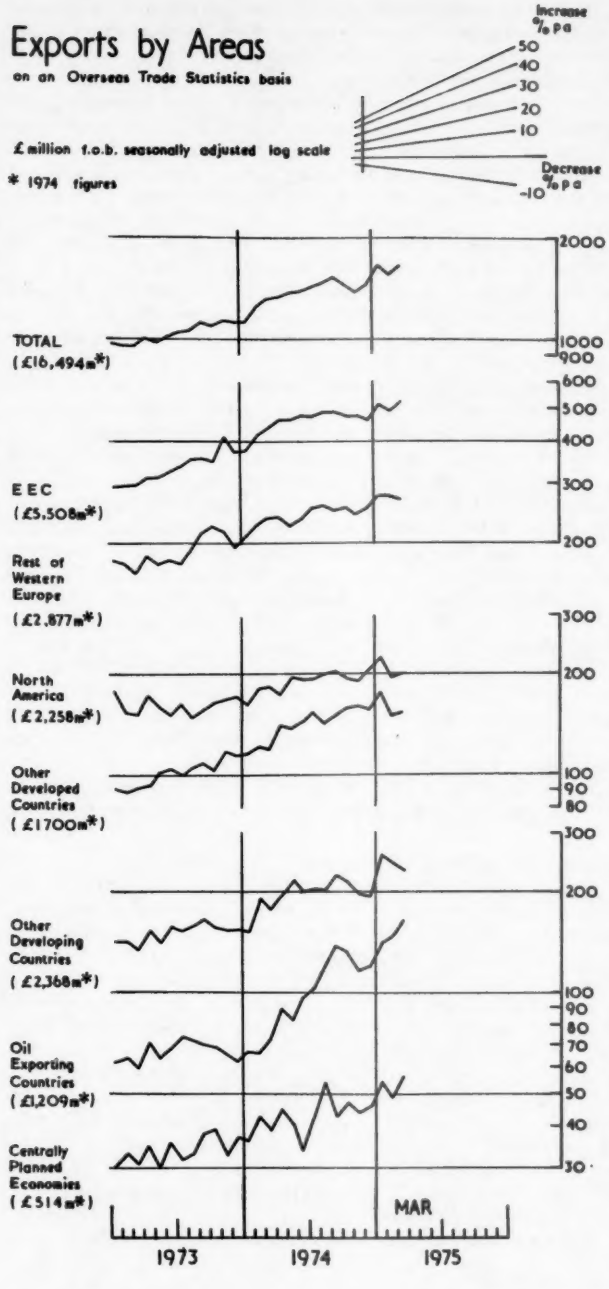
Exports to Denmark, our smallest market within the EEC, declined for the second successive quarter to £95 million, 6 per cent down on the previous three months and 10 per cent lower than in the first quarter of 1974. Shipments of fuel showed a particular decline along with exports of semi-manufactures. The Netherlands, temporarily

TABLE 6 Balance of trade in petroleum and petroleum products* (Division 33 of SITC(R))

Seasonally adjusted — Balance of payment basis

	Balance of visible trade	Imports				Rest of division	Exports
		Total	Crude oil				
	£ million fob	£ million fob	£ million fob	million tons	Average value per ton £ fob	£ million fob	£ million fob
1970	−479	655	450	100.4	4.5	205	176
1971	−650	862	643	105.6	6.1	219	212
1972	−658	877	659	102.7	6.4	218	219
1973	−941	1,281	941	111.5	8.4	340	340
1974	−3,446	4,142	3,365	109.4	30.8	777	696
1973 1st quarter	−188	244	171	24.6	7.0	73	56
2nd quarter	−220	278	205	27.9	7.4	73	58
3rd quarter	−237	347	242	30.4	8.0	105	110
4th quarter	−296	413	324	28.6	11.3	89	117
1974 1st quarter	−770	899	732	29.0	25.2	167	129
2nd quarter	−881	1,087	898	28.0	32.2	189	206
3rd quarter	−876	1,069	861	26.1	33.2	209	193
4th quarter	−919	1,087	874	26.3	33.4	213	168
1975 1st quarter	−781	939	749	21.9	34.2	189	158

* See note 1(h)



overtaking West Germany as our leading market in the EEC during the last quarter of 1974, fell back to second place in the initial three months of 1975. The value of exports, however, increased by 10 per cent over the period to £285 million. This rise was reflected throughout the commodity range with the exception of chemicals which showed a marked decline.

Following a fall during the latter months of 1974, exports to France picked up in the early months of 1975, reaching £264 million. Rises amongst the commodities were widespread, with increased shipments of food being particularly prominent, while there were slight falls in exports of chemicals and semi-manufactures. Exports to the Irish Republic followed a similar pattern growing by 11 per cent to £225 million for the first quarter, with slight falls in despatches of food, fuels and semi-manufactures but, unusually, a rise in the value of exports of chemicals. Exports to Italy at £129 million remained flat.

Of the other Western European countries Sweden remained our largest market although the growth in the value of exports, at 5 per cent was slower than virtually all other major Western European markets outside the EEC. Shipments of food, basic materials, miscellaneous manufactures and transport equipment all declined while increases were recorded in semi-manufactures and machinery.

Exports to Switzerland increased in value by 3 per cent over the fourth quarter level to £158 million. This counteracted almost exactly the slight fall experienced during the final months of 1974. Large percentage increases were apparent in exports of food and basic materials, although the values remained comparatively small, while deliveries of machinery and transport equipment and semi-manufactures, including the large *entrepot* diamond trade which tends to make the value of exports to Switzerland somewhat erratic, declined slightly.

Exports to Norway grew rapidly during the first quarter of this year, reaching £105 million, 20 per cent up on the last quarter of 1974. Increased shipments of food and fuels were particularly prominent amongst widespread rises in exports throughout the commodity range, the only exception being chemicals where a slight fall was apparent. A decline in the value of exports to Spain during the final quarter of 1974 was offset during the first three months of 1975 by a rise of 13 per cent to reach £77 million while shipments to Finland, another comparatively small European market, were 14 per cent higher in the first three months of 1975 at £65 million.

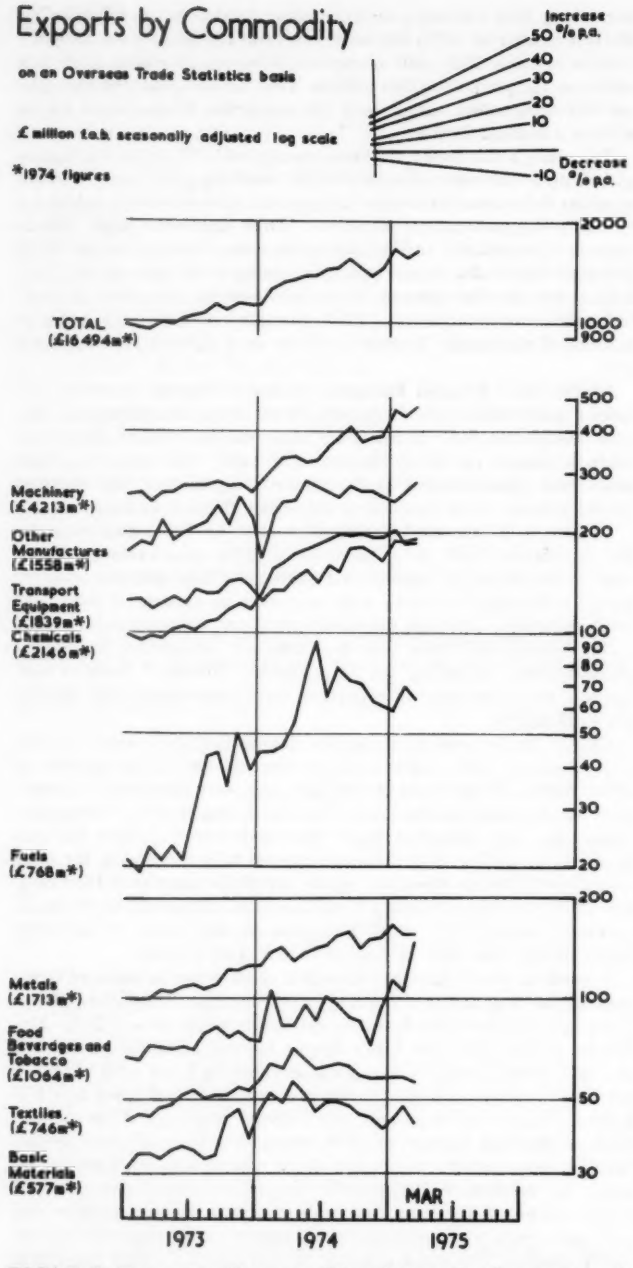
Exports to North America showed a modest rise in value of 6 per cent in the first quarter, reaching £617 million. This followed the 2 per cent fall recorded between the last two quarters of 1974. Deliveries to the USA, the UK's largest individual market taking 10 per cent of total exports, also grew in value by 6 per cent after a 4 per cent drop between the previous two quarters and stood at £472 million. Exports of beverages and tobacco recovered from the decline in the final quarter of 1974, when they were affected by the Scottish lorry drivers' strike, and there was also an increase in the value of machinery despatched. Exports of semi-manufactured goods continued to fall in value and transport equipment deliveries were also reduced counteracting an improvement apparent in the fourth quarter. The value of goods despatched to Canada continued

TABLE 7 Exports: areas¶ Overseas trade statistics basis

Seasonally adjusted values — £ million fob

	Total	Developed countries				Developing countries		Centrally planned economies
		EEC	Rest of W Europe	North America	Other	Oil exporting countries	Other	
1970	8,061	2,355	1,360	1,232	955	438	1,371	304
1971	9,181	2,659	1,509	1,444	1,063	544	1,622	282
1972	9,746	2,940	1,720	1,599	944	609	1,561	308
1973	12,454	4,030	2,225	1,936	1,218	800	1,809	409
1974	16,494	5,508	2,877	2,258	1,700	1,209	2,368	514
1973 1st quarter	2,875	892	504	481	271	185	421	95
2nd quarter	2,995	949	524	481	299	202	445	100
3rd quarter	3,234	1,050	570	469	314	216	476	103
4th quarter	3,350	1,140	627	505	334	197	466	111
1974 1st quarter	3,687	1,236	674	523	357	206	523	119
2nd quarter	4,096	1,404	698	559	423	270	610	119
3rd quarter	4,427	1,454	757	592	446	364	630	139
4th quarter	4,284	1,413	748	584	475	370	606	137
1975 1st quarter	4,838	1,521	823	617	479	459	735	158

¶ See note 1(b).



to grow albeit slowly, totalling £145 million, an increase of 4 per cent. Rises in shipments of non-electrical machinery and transport equipment were particularly marked although the value of exports of electrical machinery fell.

Among the other developed countries, exports to Japan recovered from the considerable fall in the last quarter of 1974, increasing to £83 million, a similar level to that of the first three quarters of 1974. A pick-up in shipments of machinery and transport equipment and markedly greater exports of beverages and tobacco were major contributors to the overall improvement. The value of goods despatched to South Africa rose by 14 per cent in the first quarter to £172 million, a level 67 per cent above that of a year earlier. Most commodities shared in this increase. The value of exports to Australia and New Zealand declined slightly in the quarter reflecting for both countries lower deliveries of textiles, chemicals, machinery and transport equipment.

Whereas the value of exports to developed countries as a whole increased by only 7 per cent in the first quarter the value despatched to the developing countries rose by 23 per cent following a slight fall in the previous three months. Shipments to Latin America, having fallen 14 per cent in the previous quarter, increased by 41 per cent in the first three months of this year to a level 69 per cent higher than in the first quarter of 1974. The increase in shipments to Argentina and Peru was particularly marked. The oil exporting countries, a very fast growing market for UK goods, continued to increase in importance in the first quarter with a rise of 24 per cent in the value of goods despatched to £459 million, a level 123 per cent higher than a year earlier. Exports to Iran, our largest market within this group rose to £100 million during this period with a particularly marked increase in shipments of transport equipment. Exports to Nigeria continued to rise sharply, by 34 per cent, and over the year to first quarter 1975 showed a similar increase to that for the oil exporting countries as a whole.

The value of exports to the centrally planned economies was at £158 million 16 per cent higher than the level of the previous quarter.

Commodity pattern of exports

Exports of manufactured goods, which account for over 80 per cent of total exports, rose in value by 10 per cent. Within this broad commodity group shipments of non-electrical machinery rose strongly by 21 per cent to £1,002 million, 46 per cent higher than a year earlier. Exports of electrical machinery and road motor vehicles, having increased in value in each quarter of 1974, continued the pattern, rising by 17 per cent and 12 per cent respectively, in the first three months of 1975. After rapid rises in the value of shipments of chemicals in the first half of 1974, largely reflecting the rise in oil prices, but also an increase in volume, the value of exports has remained flat, reflecting the slackening in world demand. Despatches of textiles which declined both in value and volume during the second half of 1974, fell again in the early months of 1975, the volume of textile exports being 27 per cent lower in the first quarter of 1975 than in the same period of 1974.

Among non-manufactures the value of shipments of fuels fell for

TABLE 8 Exports: Commodity classes¶ Overseas trade statistics basis

Seasonally adjusted values — £ million fob

					Manufactures									
						Machinery and transport equipment								
	Total	Food, beverages and tobacco	Basic materials	Fuels	Total	Total	Machinery	Road motor vehicles	Other transport equipment*	Chemicals	Metals and miscellaneous metal manufactures	Textiles	Other manufactures	Miscellaneous
1970	8,061	514	273	207	6,806	3,301	2,221	834	245	784	959	396	1,365	261
1971	9,181	588	278	236	7,825	3,871	2,593	988	290	884	1,005	426	1,639	255
1972	9,746	660	321	239	8,257	4,014	2,716	915	383	962	1,015	445	1,821	269
1973	12,454	876	433	370	10,456	4,774	3,221	1,100	453	1,272	1,310	590	2,509	320
1974	16,494	1,064	577	768	13,685	6,052	4,213	1,305	532	2,146	1,713	746	3,027	410
1973 1st quarter	2,875	204	98	63	2,435	1,123	771	262	99	292	299	132	548	67
2nd quarter	2,995	212	104	65	2,558	1,183	803	271	102	304	318	146	609	73
3rd quarter	3,234	230	103	117	2,684	1,240	833	280	118	319	326	153	663	83
4th quarter	3,350	230	129	125	2,779	1,229	814	288	134	357	366	158	689	98
1974 1st quarter	3,687	263	147	134	3,032	1,308	928	282	110	448	406	183	639	89
2nd quarter	4,096	264	154	223	3,364	1,441	990	311	128	531	409	198	808	110
3rd quarter	4,427	286	146	217	3,649	1,648	1,149	341	148	584	455	190	791	100
4th quarter	4,284	252	130	194	3,639	1,655	1,146	371	146	583	443	175	789	111
1975 1st quarter	4,838	373	135	191	4,018	1,925	1,376	415	149	571	472	173	789	119

¶ See note 1(b). * Not seasonally adjusted.

the second successive quarter, probably reflecting lower demand in Europe where most of the UK's exports of fuels are destined. The value of exports of basic materials remained similar to the level of the previous quarter. A considerable rise of 68 per cent in the value of exports of beverages and tobacco to £155 million reflected, at least in part, the low levels of shipments in the last quarter of 1974 due to the Scottish lorry drivers' dispute. The value of food and live animals exported increased sharply by 37 per cent in the first quarter to £218 million. Much increased shipments of sugar and sugar preparations were of particular significance to this rise.

IMPORTS

In the first quarter of 1975, imports amounted to £5,287 million seasonally adjusted on a balance of payments basis, 4 per cent lower than in the fourth quarter of 1974.

The fall in the value of imports follows the slowing in the rate of increase experienced in the previous two quarters, although the movement in the latest quarter has been exaggerated by the effects of the industrial disputes on the March figures. The flattening of the trend of imports has resulted from a less rapid rise in import prices coupled with a reduction in the volume of imports.

Import prices rose by less than 3 per cent in the first quarter, slightly less than in the previous quarter and well below the levels recorded earlier in 1974. This reflects a continuing abatement in the overall rate of increase of world commodity prices but while the prices of some items, notably copper, have fallen substantially, the prices of many foods in particular have continued to increase. The price of oil rose only slightly in the first quarter, steadying at a level more than four times the price of the third quarter of 1973.

The decline in the volume of imports that occurred throughout 1974 was even more marked in the most recent period. In the first quarter of 1975, the volume of imports was 5 per cent lower than in the final quarter of last year and 9 per cent below the peak level recorded in the fourth quarter of 1973. The reduction in import volume has been influenced to some extent by the industrial dispute, particularly for certain items such as timber that are dependent on facilities at London docks; but it also reflects the lower level of activity in the domestic economy and a certain amount of destocking.

The reduction in the volume of imports in the first quarter was widespread among the main commodity groups. A marked fall of 13 per cent in the volume of arrivals of fuels, which were little affected by the industrial dispute, led to a 12 per cent reduction in the value of these imports. Arrivals of basic materials and semi-manufactures were also lower due to the fall in volume.

However, higher prices of imports of food, beverages and tobacco and finished manufactures more than offset the reductions in volume and in the first quarter the value of deliveries rose by 4 per cent and 6 per cent, respectively. Among our major sources, imports from the EEC increased by 5 per cent in the first quarter while, in contrast, deliveries from most of the other main areas were lower. The most marked reductions among the developed countries occurred in imports from Australia and New Zealand, while deliveries from the oil-exporting countries and the Middle East and North Africa reflected the sharp decline in imports of fuels.

TABLE 9 Exports: Volume indices Overseas trade statistics basis

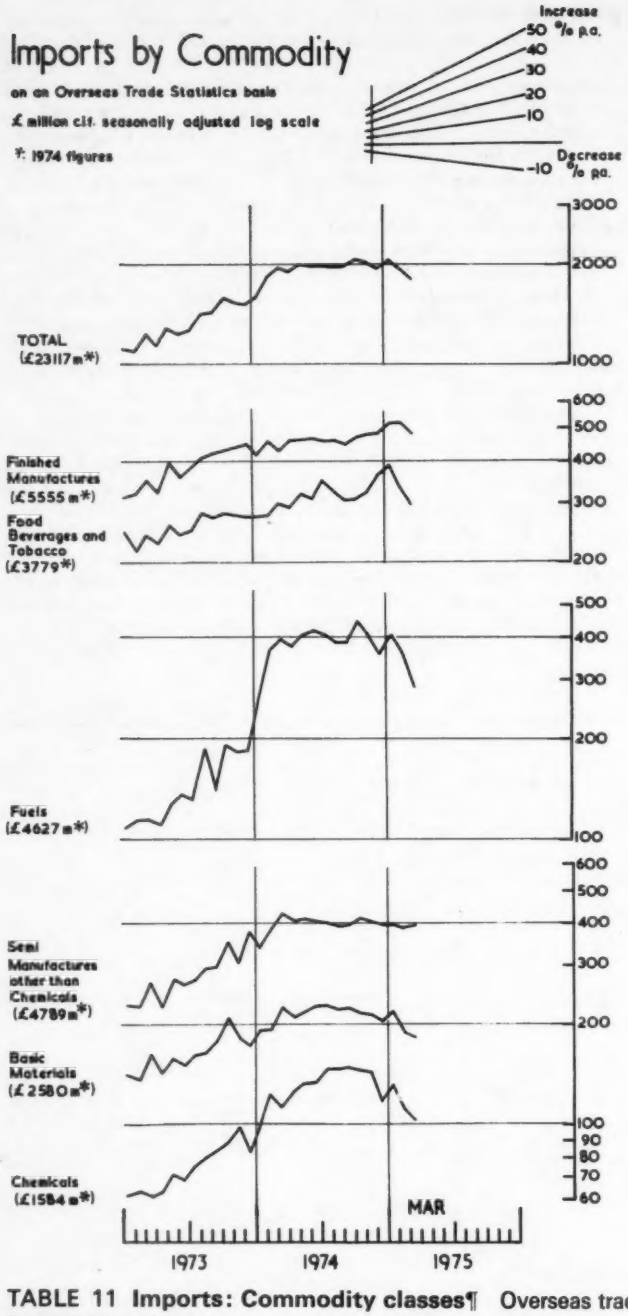
Seasonally adjusted — Indices 1970 = 100

					Manufactures							
						Machinery and transport equipment						
		Total	Food, beverages and tobacco	Basic materials	Fuels	Total	Total	Machinery	Road motor vehicles and other transport equipment	Chemicals	Metals and miscellaneous metal manufactures	Textiles	Other manufactures
Weights		1,000	64	34	26	844	410	276	134	97	119	49	169
1970		100.0	100	100	100	100	100	100	100	100	100	100	100
1971		109.0	109	99	101	110	108	109	107	110	107	106	119
1972		111.4	113	107	102	112	106	106	105	118	108	111	128
1973		126.6	135	114	107	128	117	119	114	143	123	127	148
1974		132.9	142	115	101	135	125	127	120	169	116	125	154
1973	1st quarter	123.9	132	112	92	125	114	117	111	138	121	125	142
	2nd quarter	124.7	132	112	93	128	116	119	109	140	125	130	150
	3rd quarter	129.3	139	110	133	129	121	123	117	145	122	130	148
	4th quarter	128.4	138	123	109	129	119	117	120	149	123	125	153
1974	1st quarter	131.8	154	136	79	130	116	122	109	172	125	140	141
	2nd quarter	133.4	140	120	112	136	123	124	117	168	113	136	167
	3rd quarter	138.7	150	106	113	139	134	135	131	173	113	120	158
	4th quarter	127.7	125	98	101	132	126	127	124	163	112	104	151
1975	1st quarter	137.9	170	103	95	137	136	142	130	157	116	102	146

TABLE 10 Exports: Unit value indices Overseas trade statistics basis

Not seasonally adjusted — Indices 1970 = 100

					Manufactures							
						Machinery and transport equipment						
		Total	Food, beverages and tobacco	Basic materials	Fuels	Total	Total	Machinery	Road motor vehicles and other transport equipment	Chemicals	Metals and miscellaneous metal manufactures	Textiles	Other manufactures
1970		100.0	100	100	100	100	100	100	100	100	100	100	100
1971		105.6	106	104	115	105	110	109	111	102	99	102	102
1972		111.0	113	113	116	111	118	118	117	104	100	104	107
1973		125.5	126	143	166	124	128	128	129	114	115	123	125
1974		160.7	148	181	381	155	153	155	149	169	164	159	146
1973	1st quarter	119.1	121	132	136	118	124	124	124	109	108	112	118
	2nd quarter	123.5	126	138	139	122	128	127	129	112	113	120	123
	3rd quarter	128.4	129	145	163	127	131	130	133	115	120	126	130
	4th quarter	135.3	131	155	226	133	135	135	135	125	129	136	133
1974	1st quarter	146.4	136	163	332	142	143	144	140	143	143	142	138
	2nd quarter	159.1	148	189	392	153	149	151	146	168	164	158	143
	3rd quarter	167.4	154	197	385	162	158	162	150	179	177	166	150
	4th quarter	174.9	157	193	395	170	168	172	160	191	179	175	157
1975	1st quarter	184.1	166	192	416	179	179	182	172	200	184	178	163



Commodity pattern of imports

Imports of food, beverages and tobacco rose by 4 per cent in the first quarter, a fall in the volume of imports being more than offset by an increase in prices. There were wide differences in the movements of individual commodities within the group. Imports of meat, cereals and beverages remained steady, while imports of dairy produce and eggs fell by 9 per cent and imports of fruit and vegetables by 20 per cent. In contrast, tobacco imports rose by 26 per cent.

Fuel imports fell by 12 per cent, a slight rise in price being more than offset by a drop in volume. The fall in the volume of crude oil imports reflected lower consumption and destocking.

Imports of basic materials fell by 6 per cent in value terms and 5 per cent in terms of volume. Within this group the value of timber imports fell by 21 per cent in the first quarter due to a reduction in the volume of imports, possibly partly the result of the London dock strike. The recovery experienced by the building trade in the first quarter (housing starts were 37 per cent up on the previous quarter) has not yet been reflected in the import figures, probably because of destocking. Imports of pulp and waste paper rose by 5 per cent, while imports of metal ores fell by 8 per cent. Imports of textile fibres fell by 18 per cent reflecting a continuing decline in UK production of textiles.

Imports of chemicals fell by 15 per cent as a result of a fall in volume. Imports of plastic materials were 34 per cent lower, while imports of chemical elements and compounds declined by 5 per cent.

Among imports of other semi-manufactures imports of paper and paperboard fell by 17 per cent, again possibly affected by the London dock strike. Imports of iron and steel rose by 19 per cent reflecting higher prices, while non-ferrous metal imports declined by 20 per cent, reflecting a fall in the price and volume of copper imports.

The value of imports of finished manufactures as a whole rose by 6 per cent despite a slight fall in volume and this rise was spread over the main categories within this commodity group. Imports of road motor vehicles rose by 9 per cent, reflecting increased deliveries of motor cars. Imports of transport equipment, which is a volatile series, rose by 10 per cent as a result of a higher value of ships delivered during the quarter and included in the Customs figures. Imports of consumer goods rose by 10 per cent, reflecting not only the increased deliveries of motor cars but also the increased volume of clothing and footwear imports, which in value terms rose by 15 per cent. Imports of capital goods fell by 4 per cent.

Sources of imports

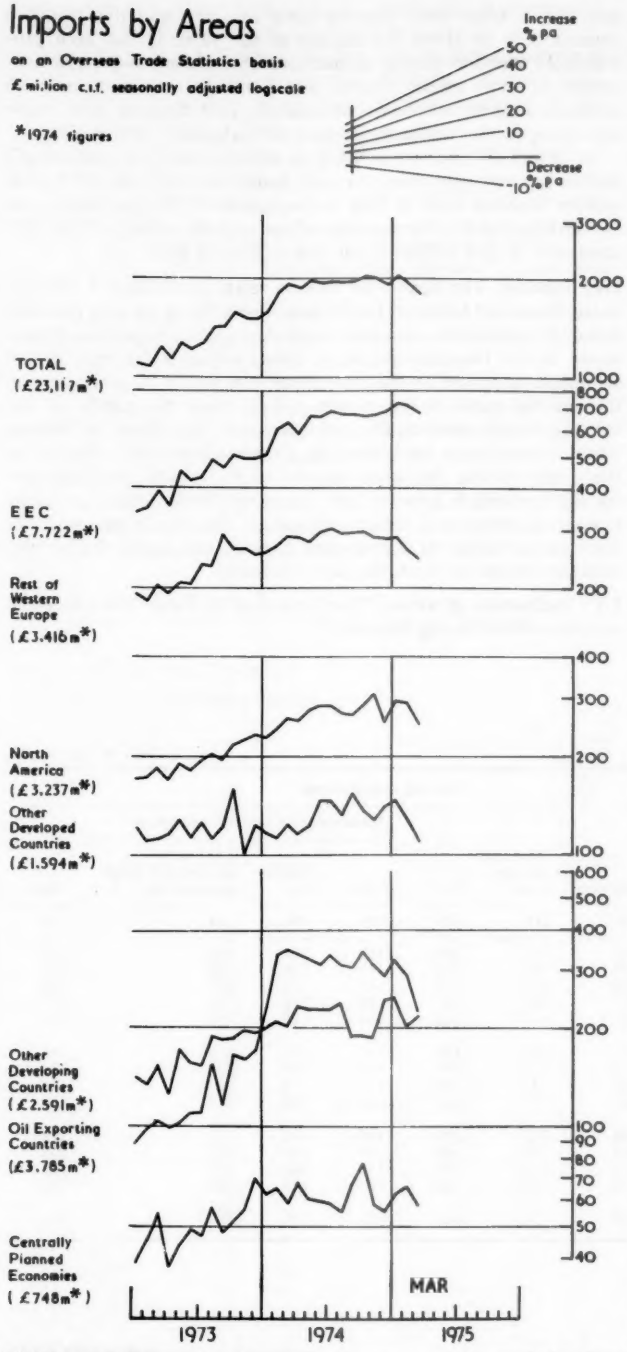
Imports from the EEC rose by 5 per cent during the first quarter. Imports from Belgium and Luxembourg increased by 20 per cent with higher shipments of wheat, refined sugar and iron and steel contributing. Imports of refined sugar also contributed to the 6 per cent rise in imports from France. Imports from the Irish Republic and Italy fell by 8 and 10 per cent, respectively, with a reduction in fuel imports contributing to both falls. Reduced imports of non-metallic mineral manufactures and meat, the latter possibly caused by the blockade of Holyhead, also contributed to the decline in imports from the Irish Republic.

TABLE 11 Imports: Commodity classes¶ Overseas trade statistics basis

Seasonally adjusted values — £ million cif

				Industrial materials				Finished manufactures						
									Machinery and transport equipment					
	Total	Food, beverages and tobacco	Fuels	Total	Basic materials	Chemicals	Other semi-manufactures	Total	Total	Machinery	Road motor vehicles	Other transport equipment*	Other	Miscellaneous
1970	9,037	2,047	945	3,862	1,362	543	1,957	2,072	1,498	1,199	169	108	574	110
1971	9,821	2,176	1,247	3,842	1,271	569	2,003	2,431	1,730	1,278	275	168	701	125
1972	11,138	2,353	1,242	4,286	1,323	651	2,312	3,130	2,238	1,568	482	187	892	124
1973	15,840	3,097	1,727	6,246	1,965	897	3,383	4,633	3,293	2,374	653	266	1,340	151
1974	23,117	3,779	4,627	8,953	2,580	1,584	4,789	5,555	3,902	2,969	645	287	1,653	203
1973 1st quarter	3,442	708	336	1,350	441	186	722	990	714	518	149	59	275	32
2nd quarter	3,668	739	374	1,421	454	203	764	1,089	772	553	154	65	318	32
3rd quarter	4,129	812	458	1,608	504	239	866	1,225	879	622	183	63	346	42
4th quarter	4,601	840	559	1,866	566	269	1,031	1,330	928	682	167	79	401	46
1974 1st quarter	5,349	858	1,034	2,098	613	335	1,150	1,324	913	731	145	49	411	42
2nd quarter	5,857	928	1,202	2,280	659	392	1,228	1,406	979	743	149	85	427	56
3rd quarter	5,926	988	1,184	2,310	673	445	1,192	1,381	980	723	181	66	401	50
4th quarter	5,985	1,005	1,207	2,265	635	412	1,219	1,443	1,030	772	170	87	414	55
1975 1st quarter	5,825	1,041	1,057	2,131	594	350	1,187	1,530	1,089	805	185	96	440	80

¶ See note 1(b). * Not seasonally adjusted.



Imports from other Western European countries in total fell by 8 per cent. Imports from Norway fell by 15 per cent due to a drop in imports of fuels and aluminium.

Imports from North America fell by 2 per cent and those from other developed countries by 5 per cent. Among the latter group of countries imports from Japan rose by 12 per cent, reflecting increased deliveries of iron and steel, principally pipes for the North Sea. Imports from South Africa rose by 21 per cent, reflecting increased deliveries of non-metallic mineral manufactures. In contrast imports from Australia and New Zealand fell by 18 and 41 per cent respectively. A low volume of deliveries of dairy produce from New Zealand, and of meat from Australia, due in part to the London dock strike, contributed to these falls, as did a fall in the price of meat imports.

Among developing countries, imports from Latin America rose by 19 per cent reflecting higher imports of raw sugar, while imports from the Middle East and North Africa the oil exporting countries Iran and Saudi Arabia all reflected the fall in fuel imports.

Imports from the centrally-planned economies, including the Soviet Union, were little different from the average level achieved during 1974.

NOTES

1(a) Trade figures on a balance of payments basis. The seasonally adjusted import and export figures on a balance of payments basis are obtained by making various adjustments to the seasonally adjusted figures derived from those recorded in the monthly *Overseas Trade Statistics*. These adjustments are summarised in Table 1 of this article. Some are valuation adjustments; the principal of these is the deduction from the import figure of freight and insurance costs. The other adjustments relate to coverage, either to bring in items not in the *Trade Statistics* (for example on the import side ships built and delivered abroad direct to United Kingdom owners) or to remove items which are in the *Trade Statistics* (mainly returned goods and goods for processing and repair). The adjustment of imports to a balance of payments basis excludes the values of deliveries of United States military aircraft (including spares and some missiles) but includes the payments for those imports which are mainly being financed by a special United States Exim Bank credit. (The values involved are now small.) All those adjustments are described in greater detail in the annual Pink Book, *United Kingdom Balance of Payments 1963-73* and in an article in the issue of *Trade and Industry* dated 4 November 1970.

1(b). The adjustments described at Note 1(a) have been made for the quarterly totals of exports and imports, for the main area analysis of trade (Table 3) and for trade in petroleum and petroleum products (Table 6). They cannot be estimated for the other commodity analysis of trade nor for individual countries. The values of total trade and the main components of exports and imports in Tables 7, 8, 11, 12, 15-18 are on the *Overseas Trade Statistics* basis and correspond with the totals given in the first columns of Table 1. Comments on total trade and in the section headed 'Area Analysis of the Visible Trade Balance' relate to figures on a balance of payments basis. Detailed analysis of imports and exports on an area and commodity basis relates to the figures on an *Overseas Trade Statistics* basis in

TABLE 12 Imports: Areas¶ Overseas trade statistics basis

Seasonally adjusted values

£ million cif

	Total	Developed countries				Developing countries		Centrally planned economies
		EEC	Rest of W. Europe	North America	Other	Oil exporting countries	Other	
1970	9,037	2,440	1,310	1,856	856	814	1,360	388
1971	9,821	2,914	1,450	1,732	947	1,055	1,331	376
1972	11,138	3,521	1,816	1,783	1,141	1,024	1,412	423
1973	15,840	5,197	2,694	2,358	1,460	1,494	2,042	598
1974	23,117	7,722	3,420	3,237	1,594	3,785	2,591	748
1973 1st quarter	3,442	1,087	578	533	347	294	451	130
2nd quarter	3,668	1,229	601	546	363	315	468	133
3rd quarter	4,129	1,385	750	596	364	384	535	154
4th quarter	4,601	1,497	764	682	386	501	587	182
1974 1st quarter	5,349	1,751	825	734	358	913	614	187
2nd quarter	5,857	1,915	855	825	390	975	695	189
3rd quarter	5,926	2,037	882	824	437	956	658	181
4th quarter	5,985	2,020	858	854	409	940	624	191
1975 1st quarter	5,825	2 130	793	838	390	837	670	183

¶ See note 1(b).

Tables 7, 8, 11, 12, 15-18. The main components of trade are seasonally adjusted independently from the totals and in consequence do not always add exactly to the seasonally adjusted totals.

1(c) Visible balances. The visible balance is the difference between the import and export figures on a balance of payments basis obtained as described in Note 1(a) above.

1(d) Recording of exports. The present system for the documentation of exports aimed at securing their full recording was introduced in October 1971; the system, and the methods used to monitor the accuracy of the resulting figures, were described in an article in *Trade and Industry*, 15 February 1973.

Regular assessments of the quality of recording had indicated that, since the beginning of 1972, there had been no need to make adjustments to the export figures for a shortfall in documentation. As the above article indicated, some errors in recording remained, whereby either the need to submit a document was overlooked or, on the other hand, two documents might be submitted for the same goods. The effects of these errors had been substantially reduced under the present system so that the small elements of under- and over-recording more or less balanced out, leaving the total recorded figure of exports in each month virtually correct.

Since the autumn of 1973, however, there has been evidence of a slight deterioration causing a small net amount of under-recording. The sums involved have been very small, amounting to only about half of 1 per cent, that is around £6 million or £7 million a month by mid-1974. Because the monitoring of the export documentation in any month takes some time to carry out, the available evidence extends only to about the middle of the year. It has been provisionally assumed that an adjustment of the same amount is warranted for more recent months, and it will be continued until the evidence suggests otherwise. Meanwhile, HM Customs and Excise are taking further action to improve the lodgement of documents.

In view of the evidence at hand, an adjustment of £6 million to £7 million has now been made for each month from October 1973, with smaller notional sums in July to September 1973. The adjustment (which is included in the coverage adjustments described at Note 1(a)) amounted to £24 million in the first quarter of 1975.

1(e) Timing. The figures for exports relate to documents received in the Statistical Office of HM Customs and Excise up to a few days before the end of the calendar month. On average export documents arrive at the Customs Statistical Office within a fortnight of the shipments of goods, so that the documents relate to goods passing through the ports in the month ending about the middle of the calendar month to which they are attributed. The figures for imports relate to documents received at the Customs Statistical Office up to the third working day after the end of the month. Importers are usually required to present their documents before they can obtain customs clearance and remove the goods. Thus the import statistics correspond closely to movements through the ports during the calendar month to which they are attributed.

1(f) Definition of areas. The areas used in Table 3 of this article comprise the following countries:

TABLE 13 Imports: Volume indices
Overseas trade statistics basis

Seasonally adjusted values — Indices 1970 = 100

					Industrial materials				Finished manufactures				
										Machinery and transport equipment			
		Total	Food, beverages and tobacco	Fuels	Total	Basic materials	Chemicals	Other semi-manufactures	Total	Total	Machinery	Road motor vehicles and other transport equipment	Other
Weights		1,000	227	105	427	151	60	216	229	166	133	33	63
1970		100.0	100	100	100	100	100	100	100	100	100	100	100
1971		104.8	100	109	101	91	103	106	115	113	106	140	122
1972		116.0	102	109	109	93	118	119	146	145	136	183	147
1973		132.7	102	112	125	104	140	136	186	185	176	219	189
1974		133.4	99	108	129	93	151	147	189	188	188	192	191
1973	1st quarter	128.2	106	105	123	105	127	134	174	177	171	212	168
	2nd quarter	128.1	102	111	121	100	137	130	179	175	165	217	189
	3rd quarter	136.0	102	120	125	104	144	134	195	195	184	226	195
	4th quarter	138.3	100	113	133	108	151	147	196	192	186	219	205
1974	1st quarter	133.9	96	108	131	99	148	149	191	186	193	171	204
	2nd quarter	135.5	100	107	130	95	154	148	196	194	191	201	203
	3rd quarter	134.0	102	105	128	91	162	144	187	188	182	197	185
	4th quarter	130.3	97	105	125	89	143	145	183	187	183	200	172
1975	1st quarter	124.0	94	91	117	85	119	139	181	183	178	206	177

TABLE 14 Imports: Unit value indices
Overseas trade statistics basis

Not seasonally adjusted — Indices 1970 = 100

					Industrial materials				Finished manufactures				
										Machinery and transport equipment			
		Total	Food, beverages and tobacco	Fuels	Total	Basic materials	Chemicals	Other semi-manufactures	Total	Total	Machinery	Road motor vehicles and other transport equipment	Other
1970		100.0	100	100	100	100	100	100	100	100	100	100	100
1971		104.9	107	122	99	102	102	96	106	107	107	108	102
1972		109.1	114	123	102	106	104	99	111	112	109	124	110
1973		138.1	150	164	131	141	126	126	128	127	123	141	131
1974		210.3	193	468	190	208	207	172	152	147	143	163	164
1973	1st quarter	122.2	132	136	115	124	112	109	120	120	117	131	123
	2nd quarter	131.8	146	144	125	135	118	119	126	125	121	138	130
	3rd quarter	144.7	159	162	138	147	133	133	136	135	132	146	139
	4th quarter	169.5	172	215	151	162	146	145	140	138	136	147	144
1974	1st quarter	190.2	183	393	171	184	176	160	145	142	140	153	152
	2nd quarter	211.3	191	485	190	207	201	174	151	146	142	163	163
	3rd quarter	216.2	193	482	197	218	217	177	158	152	148	168	173
	4th quarter	222.3	202	494	199	219	230	177	166	159	155	174	185
1975	1st quarter	230.1	218	509	200	217	240	177	174	168	164	183	191

EEC – West Germany, Netherlands, Belgium, Luxembourg, France, Italy, Denmark, Greenland and Irish Republic.

Rest of Western Europe – Finland, Sweden, Norway, Iceland, Switzerland, Liechtenstein, Portugal, Austria, Andorra, Vatican City, Greece, Turkey, Yugoslavia, Spain, Faroe Islands, Gibraltar, Malta, Continental Shelf (Foreign Part).

North America – USA, Canada, Puerto Rico, US Virgin Islands.

Rest of World – All other countries.

The areas used in Tables 7, 12, 15, 18 comprise the following countries:

EEC, Rest of Western Europe and North America as above.

Other Developed Countries – Australia, New Zealand, Japan and South Africa.

Centrally Planned Economies – Soviet Union, Poland, East Germany, Hungary, Czechoslovakia, Albania, Bulgaria, Romania, China, North Korea, North Vietnam and Outer Mongolia.

Latin America – Cuba, Haiti, Dominican Republic, Guatemala, El Salvador, Honduras (not British), Nicaragua, Costa Rica, Panama, Canal Zone of Panama, Mexico, Colombia, Venezuela, Ecuador, Peru, Chile, Bolivia, Brazil, Paraguay, Uruguay, Argentina.

Middle East and North Africa – Algeria, Egypt, Libya, Morocco, Sudan, Tunisia, Abu Dhabi, Dubai, Sharjah, etc., Bahrein, Cyprus, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, Qatar, Syria, Saudi Arabia, Yemen Arab Republic, Yemen People's Democratic Republic.

Other Developing Countries – All other countries.

Oil Exporting Countries – Abu Dhabi, Algeria, Bahrein, Brunei,

TABLE 15 Exports: areas¶
(Overseas trade statistics basis)

Seasonally adjusted values — £ million fob

	1974					1975	Percentage change 1st qtr./ 4th qtr. 1974
	Year	1st qtr.	2nd qtr.	3rd qtr.	4th qtr.	1st qtr.	
DEVELOPED COUNTRIES	12,343	2,790	3,085	3,249	3,220	3,439	+ 7
EEC	5,508	1,236	1,404	1,454	1,413	1,521	+ 8
Belgium and Luxembourg	845	167	231	224	223	201	−10
Denmark	427	106	106	114	101	95	− 6
France	915	209	215	249	241	264	+ 9
Irish Republic	821	180	224	214	203	225	+11
Italy	510	126	132	124	128	129	+ 1
Netherlands	982	202	254	266	260	285	+10
West Germany	1,011	231	260	268	252	304	+21
REST OF W. EUROPE	2,877	674	698	757	748	823	+10
Finland	228	68	49	55	57	65	+14
Norway	334	75	82	89	88	105	+20
Spain	261	56	62	76	68	77	+13
Sweden	723	164	168	190	201	211	+ 5
Switzerland	600	130	160	157	154	158	+ 3
NORTH AMERICA	2,258	523	559	592	584	617	+ 6
USA and Dependencies	1,770	418	445	463	444	472	+ 6
Canada	488	105	114	130	139	145	+ 4
OTHER	1,700	357	423	446	475	479	+ 1
Australia	599	124	141	165	169	159	− 6
Japan	320	83	81	86	70	83	+19
New Zealand	256	56	61	62	76	75	− 1
South Africa	526	103	137	136	151	172	+14
DEVELOPING COUNTRIES	3,577	728	879	994	975	1,195	+23
LATIN AMERICA	489	107	106	148	128	181	+41
MIDDLE EAST AND NORTH AFRICA	1,331	239	339	357	396	477	+21
Iran	279	40	64	85	89	100	+12
Israel	219	34	77	52	56	67	+19
REST	1,757	383	434	489	451	537	+19
Nigeria	222	42	49	61	70	94	+34
CENTRALLY PLANNED ECONOMIES	514	119	119	139	137	158	+16
TOTAL	16,494	3,687	4,096	4,427	4,284	4,838	+13
of which: OIL EXPORTING COUNTRIES	1,209	206	270	384	370	459	+24

¶ See notes 1(b) and 1(f).

The metric change

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TABLE 16 Exports: commodity classes¶
(Overseas trade statistics basis)

Seasonally adjusted values — £ million fob

	1974					1975	Percentage change 1st qtr./ 4th qtr. 1974
	Year	1st qtr.	2nd qtr.	3rd qtr.	4th qtr.	1st qtr.	
FOOD, BEVERAGES AND TOBACCO	1,064	263	264	286	252	373	+48
Food and live animals	611	151	150	151	160	218	+37
Beverages and tobacco	453	112	114	135	92	155	+68
BASIC MATERIALS	577	147	154	146	130	135	+ 4
Crude materials	545	139	146	138	123	126	+ 2
FUELS	768	134	223	217	194	191	− 2
MANUFACTURES	13,685	3,032	3,364	3,649	3,639	4,018	+10
Machinery and transport equipment	6,052	1,308	1,441	1,648	1,655	1,925	+16
Non-electric machinery	3,081	685	726	844	826	1,002	+21
Electric machinery	1,132	243	264	305	320	374	+17
Road motor vehicles	1,305	282	311	341	371	415	+12
Other transport equipment*	532	110	128	148	146	149	+ 2
Chemicals	2,146	448	531	584	583	571	− 2
Metals and miscellaneous metal manufactures	1,713	406	409	455	443	472	+ 6
Textiles	746	183	198	190	175	173	− 1
Other	3,027	639	808	791	789	789	—
Clothing and footwear	277	62	74	71	70	78	+12
Instruments	424	94	106	112	111	127	+14
MISCELLANEOUS	410	89	110	100	111	119	+ 7
TOTAL	16,494	3,687	4,096	4,427	4,284	4,838	+13

¶ See note 1(b). * Not seasonally adjusted.

TABLE 17 Imports: commodity classes¶
(Overseas trade statistics basis)

Seasonally adjusted values — £ million cif

	1974					1975	Percentage change 1st qtr./ 4th qtr. 1974
	Year	1st qtr.	2nd qtr.	3rd qtr.	4th qtr.	1st qtr.	
FOOD, BEVERAGES AND TOBACCO	3,779	858	928	988	1,005	1,041	+ 4
Food and live animals	3,372	751	823	890	907	936	+ 3
Meat and meat preparations	681	187	166	161	167	162	− 3
Dairy produce and eggs	339	54	71	113	100	92	− 9
Cereals and animal feeding stuff	593	188	188	176	168	167	− 1
Fruit and vegetables	661	140	155	171	195	156	−20
Beverages and tobacco	407	107	105	98	98	106	+ 8
Beverages	222	69	51	48	54	53	− 3
Tobacco	185	41	53	49	44	55	+26
FUELS	4,627	1,034	1,202	1,184	1,207	1,057	−12
INDUSTRIAL MATERIALS	8,953	2,098	2,280	2,310	2,266	2,131	− 6
Basic materials	2,580	613	659	673	635	594	− 6
Crude materials	2,364	564	604	609	588	547	− 7
Wood, lumber and cork	590	176	163	136	114	90	−21
Pulp and waste paper	330	63	75	91	100	105	+ 5
Textile fibres	311	81	85	81	65	53	−18
Metal ores	534	105	130	142	157	145	− 8
Chemicals	1,584	335	392	445	412	350	−15
Other semi-manufactures	4,789	1,150	1,228	1,192	1,219	1,187	− 3
Wood and cork manufactures	232	75	65	51	41	40	− 2
Paper and paperboard	726	150	173	198	204	170	−17
Textiles	688	163	173	185	168	161	− 5
Non-metallic mineral manufactures	983	238	254	250	241	259	+ 7
Iron and steel	717	173	182	167	195	232	+19
Non-ferrous metals	1,009	233	277	245	254	203	−20
FINISHED MANUFACTURES	5,555	1,324	1,406	1,381	1,443	1,530	+ 6
Machinery	2,969	731	743	723	772	805	+ 4
Road motor vehicles	645	145	149	181	170	185	+ 9
Other transport equip.*	287	49	85	66	87	96	+10
Other finished manuf.	1,653	411	427	401	414	440	+ 6
Clothing and footwear	512	127	135	124	125	144	+15
Instruments	378	86	94	92	105	109	+ 3
MISCELLANEOUS	203	42	56	50	55	80	+44
TOTAL	23,117	5,349	5,857	5,926	5,985	5,825	− 3

¶ See note 1(b). * Not seasonally adjusted.

Dubai, Ecuador, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Oman, Qatar, Saudi Arabia, Trinidad and Tobago and Venezuela.

1(g) The invisible balance (services and other current transactions) covers the following items: Government services and transfer payments; all other services including sea and air transport, travel, and banking and financial transactions; net overseas income in the form of interest, profits and dividends; and private transfers.

1(h) Trade in petroleum and petroleum products. Trade in petroleum and petroleum products (Table 6) accounts for almost all the trade in Fuels, Section 3 of SITC(R) which is included in Tables 8, 11, 16, 17. Import figures are shown for crude oil and for the rest of the division which includes petroleum partly refined for further refining and petroleum products (eg motor spirit, lamp oil and white spirit, distillate fuels, residual fuel oils, lubricating oils and greases, etc.).

The figures of value and tonnage of crude oil imports in Table 6 are based on reports to HM Customs and Excise and have been seasonally adjusted with the same seasonal and length of month factors as have been used for the Fuels totals in Tables 8, 11, 16, 17. These figures cannot be directly compared with the monthly import tonnages originating from the Department of Energy which are published in the *Monthly Digest of Statistics* and the *Digest of Energy Statistics*, as the latter are based on reports received directly from the oil industry and are unadjusted. Over longer periods the differences between the two sources are largely resolved.

The average value of crude oil per ton has been obtained by dividing the value of crude oil imports by the tonnage and will reflect not only changes in price but also changes in the commodity mix of imports due, for example, to differing qualities of crude oil.

1(i) Unit value and volume indices. A brief description of the way in which the index numbers on a balance of payments basis are calculated was published in the article giving unit value and volume index numbers for March 1971 in *Trade and Industry* of 26 May 1971. An article was published in *Trade and Industry* on 11 October 1973 introducing the series of import and export unit value and volume indices with 1970 = 100. The purpose of the index numbers is to measure the changes in price and volume of our imports and exports. Index numbers can be constructed in various ways, and the series used here are of the fixed base type. Thus, the unit value indices measure changes in 'price' of a fixed selection of trade headings (although in practice it is not specific prices which are measured but the average price of all the varying transactions taking place each month in the selected headings, reflecting different kinds of goods covered by each heading and different markets or sources of supply). Correspondingly, the volume indices measure, for the same selection of trade headings, what the change in the value of trade would be assuming no changes in the prices charged from those in the base year. Because the indices are base weighted, they do not take account of the changes in the pattern of trade since the base year, and consequently their product does not precisely account for the change in the value of trade expressed as an index. In practice, though, since the composition of trade changes little between consecutive months, the product of the changes in the indices will often approximate to the change in the value of trade between one month and the next. A full methodological article about the 1970-based series of indices was published in the April issue of *Economic Trends*.

2. Overseas Trade Statistics. Detailed particulars of United Kingdom imports and exports for March 1975 (with cumulative totals) were published in April* and further analyses of the figures will be found in the tables on external trade in the *Monthly Digest of Statistics*†.

* *Overseas Trade Statistics of the United Kingdom*, March 1975, published by HMSO, price £2.50 (annual subscription £33.60).

† *Monthly Digest of Statistics*, published by HMSO, price 63p (annual subscription including Supplement of Definitions and postage, £8.60).

TABLE 18 Imports: areas¶
(Overseas trade statistics basis)

Seasonally adjusted values — £ million cif

	1974					1975	Percentage change
	Year	1st qtr.	2nd qtr.	3rd qtr.	4th qtr.	1st qtr.	1st qtr./ 4th qtr. 1974
DEVELOPED COUNTRIES	15,973	3,667	3,985	4,180	4,141	4,151	—
EEC	7,722	1,751	1,915	2,037	2,020	2,130	+ 5
Belgium and Luxembourg	730	151	178	198	202	241	+20
Denmark	577	145	143	137	152	153	+ 1
France	1,349	296	330	369	355	375	+ 6
Irish Republic	810	174	199	207	230	212	- 8
Italy	724	171	187	175	191	172	-10
Netherlands	1,637	319	410	460	448	444	- 1
West Germany	1,893	452	461	481	498	517	+ 4
REST OF W. EUROPE	3,420	825	855	882	858	793	- 8
Finland	493	135	122	125	112	108	- 3
Norway	408	85	101	106	117	99	-15
Sweden	929	216	220	246	247	241	- 3
Switzerland	717	186	191	176	165	166	+ 1
NORTH AMERICA	3,237	734	825	824	854	838	- 2
USA and Dependencies	2,254	502	574	571	607	596	- 2
Canada	982	232	251	253	247	242	- 2
OTHER	1,594	358	390	437	409	390	- 5
Australia	311	71	66	91	84	69	-18
Japan	570	130	167	137	136	152	+12
New Zealand	248	58	61	59	70	41	-41
South Africa	465	105	111	138	110	133	+21
DEVELOPING COUNTRIES	6,375	1,528	1,670	1,614	1,564	1,506	- 4
LATIN AMERICA	648	149	180	175	144	172	+19
MIDDLE EAST AND NORTH AFRICA	3,493	773	902	934	884	786	-11
Iran	513	51	92	169	202	187	- 8
Saudi Arabia	1,178	326	331	272	249	238	- 4
REST	2,234	606	589	506	535	548	+ 2
CENTRALLY PLANNED ECONOMIES	748	187	189	181	191	183	- 4
Soviet Union	396	98	101	100	96	99	+ 3
TOTAL	23,117	5,349	5,857	5,926	5,985	5,825	- 3
of which: OIL EXPORTING COUNTRIES	3,785	913	975	956	940	837	-11

¶ See notes 1(b) and 1(f).

Statistics of retail trading in Wales

A report on Wales is the second of the 10 area analyses of the information from the Census of Distribution and Other Services 1971 to be issued by the Business Statistics Office. County boundaries in this report are based on the situation as it was in 1971 and do not take account of the changes brought about by the Local Government Act 1972. Published by Her Majesty's Stationery Office as Business Monitor SD12 the report is available now (price £1.20) from HMSO bookshops, through booksellers or by mail order direct from HMSO, PO Box 569, London SE1 9NH.

The statistics presented are concerned mainly with retail trading, though the Monitor also includes some information on hairdressing and footwear repairing. There are detailed tables showing retail outlets by kind of business and, where possible, form of organisation for all towns in the Principality with a population of 20,000 or more (and, where appropriate, also for the town centres); and there are total figures for each county and for the towns and rural areas within each county. More detailed information for rural areas and for towns with populations of less than 20,000 is available in a set of 143 special unpublished tables, which can be purchased (price: £1.25 plus VAT for up to 5 tables, and 25p plus VAT for each additional table) direct from the Business Statistics Office, Census of Distribution, Cardiff Road, Newport, Gwent NPT 1XG (Tel: 0633-56111, ext. 2000). Further information about the Census can be obtained from the same address.

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Index to statistics and organisational information published regularly in 'Trade and Industry'

A = annually M = monthly Q = quarterly 6M = every six months.

Title	Last published
Air transport: trade by air (6M)	16 May 1975
Balance of payments:	
current account (M)	20 June 1975
trends in invisible transactions (Q)	24 Oct. 1974
(*see also* Overseas trade of the UK)	
Bankruptcies *see* Insolvencies	
Business names and limited partnerships (A)	30 Jan. 1975
Capital expenditure: manufacturing, distributive and service industries (Q)	This week
Catering trades turnover (M)	20 June 1975
Census of production (A)	19 Dec. 1974
(amendment)	16 Jan. 1975
Chemicals industry activity (Q)	13 June 1975
Companies:	
acquisitions and mergers (Q)	9 May 1975
insolvencies (Q)	2 May 1975
liquidity (Q)	13 June 1975
new registrations:	
Gt. Britain (M)	20 June 1975
N. Ireland (M)	13 June 1975
Construction work overseas (A)	17 Oct. 1974
EEC economic indicators	27 June 1975
Energy trends (M)	4 July 1975
Engineering industries: sales and orders (M)	20 June 1975
Film industry	
British Film Fund Agency returns (M)	This week
cinema admissions and takings (M)	This week
overseas payments and earnings (A)	1 Aug. 1974
registrations of films (A)	6 Feb. 1975
Food:	
consumption levels (6M)	2 May 1975
household consumption (Q)	4 July 1975
Footwear industry: production, orders and deliveries (M)	4 July 1975
Foreign exchange: official reserves (M)	This week
Foreign trade: industrial countries' production and trade (Q)	18 Apr. 1975
(*see also* Overseas trade of the UK)	
Hire-purchase business (M)	This week
Industrial production:	
index numbers (M)	27 June 1975
N. Ireland index (M)	23 May 1975
Insolvencies in England and Wales (Q)	2 May 1975
Insurance companies: investments and assets (A)	5 Sept. 1974
Investment:	
book values of overseas direct investments (every 3 years)	15 Nov. 1973
industry's investment intentions (3 times a year)	13 June 1975
investment and earnings overseas (A)	14 Mar. 1975
(amendment)	21 Mar. 1975
Machine tools: sales and orders (M)	30 May 1975
Man-made fibres:	
deliveries (Q)	6 June 1975
production (M)	6 June 1975
production: quarterly analysis (Q)	6 June 1975
Motor industry:	
car and commercial vehicle production (M)	27 June 1975
estimated figures (M)	13 June 1975
motor trade turnover (Q)	30 May 1975
Office development permits (Q)	9 May 1975
Overseas trade of the UK:	
direct exporters and credit terms (A)	11 Apr. 1975
UK overseas trade in 1973	16 May 1974
unit value and volume index numbers (M)	20 June 1975
value: analysis of trends (Q)	This week
(*see also* Balance of payments)	
Paper and board production (M)	30 Jan. 1975
Pension funds: investments and assets (A)	5 Sept. 1974
Regional selective assistance (M)	27 June 1975
Retail prices index (M)	20 June 1975
Retail trades:	
sales (M)	This week
provisional figures (M)	20 June 1975
sales, N. Ireland (M)	20 June 1975
stocks (M)	27 June 1975
Royalties: overseas transactions (A)	11 Apr. 1975
Shipping: nationality of vessels in UK sea-borne trade (A)	23 Jan. 1975
Steel consumption and stocks (Q)	27 June 1975
Stocks:	
manufacturers' and distributors' quarterly figures (Q)	This week
manufacturers' stocks: monthly estimates (M)	13 June 1975
retail (M)	27 June 1975
Television: overseas payments and earnings (A)	1 Aug. 1974
Textiles:	
activity in the industry (Q)	25 Apr. 1975
carpet sales (M)	27 June 1975
cotton industry production (M)	20 June 1975
hosiery production (M)	4 July 1975
made-up clothing: orders and deliveries (M)	4 July 1975
orders and deliveries (M)	21 Mar. 1974
wholesale houses' sales (M)	4 July 1975
wool exports (Q)	20 June 1975
wool output (M)	20 June 1975
Tourism:	
foreign visitor arrivals (M)	20 June 1975
overseas travel and tourism (A)	7 Mar. 1975
Wholesale prices:	
average prices of selected commodities (A)	13 June 1975
index numbers (M)	20 June 1975

Departmental organisations, etc.

Subjects	Last published
British commercial representations overseas	4 Apr. 1975
Business Monitor titles	6 Sept. 1973
Customs notices of interest to exporters	20 June 1975
ECGD local offices	14 Mar. 1975
Guide to Departments	This week
Official Receivers' offices	21 Mar. 1975
Programme of trade promotions	18 Apr. 1975
Release dates of economic statistics	27 June 1975

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Government Sales

Ministry of Defence

15 and 16 July 1975 Miscellaneous Stores

Location: Central Ordnance Depot RAOC, Bicester, Oxon.

Auctioneers: Midland Marts Ltd. (Dept. L), Market Square, Bicester, Oxon. OX6 7AL (Tel. 08692 2073)

A large quantity of clothing and textiles including 41,500 KD jackets, 92,500 KD trousers, 35,000 KD shorts, 72,000 KD tropical hats, 18,900 denim blouses, 23,500 denim trousers, greatcoats, dressing gowns, pullovers, drawers, boots, carpets, rags, haversacks, groundsheets, canvas tentage including bivouacs. 1,000 Omega wristwatches. Chairs, tables, wardrobes, lockers, bedsteads, writing bureaux, dressing chests and sideboards. Austin 1800 saloon, Mini Minor vans, Landrovers, forklift trucks, lathe, grinding machines, bending machine, tyres, charging sets, generator sets, ratchet jacks, pul-lifts, roto lifts, bolt croppers, pipe wrenches, drilling pillars and braces, cameras, film projectors, hand tools, electrical equipment, kitchen equipment.

23 and 24 July 1975 Miscellaneous Stores

Location: City Auction Galleries, Kinterbury House, St. Andrew's Cross, Plymouth PL1 2DQ

Auctioneers: Woolland Son and Manico (Dept.-L), Kinterbury House, St. Andrew's Cross, Plymouth PL1 2DQ (Tel. 0752-69292)

The stores, which are lying at Plymouth, Exeter, Chivenor, Yeovilton and other establishments, include: greatcoats, raincoats, jackets, trousers, blouses, jerseys, pullovers, underwear, shirts, overalls, kit bags, suitcases, blankets, mattress covers, foam mattresses, ankle, flying and knee boots, shoes, hammocks, bedspreads, sheets, mixed and woollen rags, tentage, webbing. Wooden and steel furnishings including desks, tables, bureaux, stacking and other chairs, settees, writing tables, filing cabinets, iron bedsteads, lockers, wardrobes, dressing chests, linen baskets, safes, kitchen china and glassware, carpets, tea urns, aluminium ware, 650 stone 1 gallon jars, watches, Smiths Astral second and other clocks, binoculars, telescopes, barometers, barographs, photographic equipment, kettles, cutlery, desk lamps and fans, floodlights, convector heaters, 200 whistles, dustbins, test meters and test sets, charging sets, gauges, tools, butchers chopping blocks, electrical spares, portable drills, ladders, motor mowers, paint sprayers, scrap batteries and tyres, chain blocks and tackles, ball and roller bearings, pull lifts, lifting jacks, wire rope, 400 gallon mild steel tank, fire buckets, 50,000 plastic bottles, 9 tons scrap metal, fuel oil hoses, pallet transporter, power hack saw, lathes, cutting, grinding, drilling and bending machines, Morris 5 cwt. van, water trailer, A.E.C. 10 ton lorry, etc.

Catalogues for the above sales, which give details of the lots, conditions of sale, viewing times, etc. are available from the auctioneers from two weeks before and up to the day of the sale, price 10p (postal orders only).

Do you use statistics?

The Government Statistical Service (GSS) prepares a wide range of reliable and detailed figures on the United Kingdom. It is usually worth checking to see if what you want is available from them. You can see many government statistical publications at your local public library, buy them from HMSO or refer to the comprehensive collection held at the Statistics and Market Intelligence Library, Export House, 50 Ludgate Hill, London EC4N 7HU (tel. 01-248 5757 ext. 368).

A free pamphlet, *Government Statistics – a brief guide to sources*, gives up-to-date contact points in Departments for further information. You can obtain copies from regional offices of the Department of Industry or by writing to the Central Statistical Office Press and Information Service, Great George Street, London SW1P 3AQ.

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7 TO **BEIRUT**	ARR	16.20	16.20		16.20	16.20		16.20	16.20		16.20	
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5 TO **DOHA**	ARR			05.15 WED		19.40		19.40	19.40		19.40	
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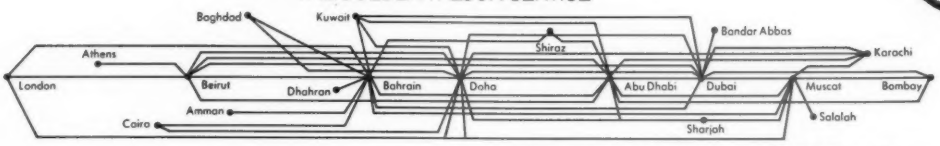

In association with British Airways and Middle East Airlines.

Into OPEC

Into OPEC
Peter Shore
Secretary of State for Trade
2

How can we increase trade with OPEC?
Lord Limerick
4

New priorities for Government and business
John Caines
10

ALGERIA
Full speed ahead for industrialisation
Richard Czartoryski
18

LIBYA
Don't believe all you read
Richard Czartoryski
22

NIGERIA
If you've got it, you can sell it
Frank Martin
26

KUWAIT
Contracted out
Alan Williams
32

SAUDI ARABIA
A market for the patient man
Leslie Walford
36

IRAN
Country in a hurry
Ronald Mayes
44

IRAQ
More participation wanted
Ronald Mayes
50

QATAR
Not a market to be missed
David Crawford
54

UNITED ARAB EMIRATES
A special relationship
Donal McCarthy
58

INDONESIA
The awakening giant
Michael Pentreath
62

ECUADOR
Head in the clouds, feet on the ground
Guy Nissen
66

VENEZUELA
So little time, so much to do
Gillian Samuel
70

How BOTB helps
74

What can ECGD do?
76

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Trade and Industry

Special Report on the fastest growing markets in the world – the Organisation of Petroleum Exporting Countries

Into OPEC

An introduction by Peter Shore, Secretary of State for Trade

On the global map of business opportunities the 12 members of OPEC are already vastly important. During the next few years they will certainly become more important still.

Nearly all these countries now have the money they need for a rapid transformation of their economies. They are hungry for the supplies, and still more for the knowledge and skills, which only the industrialised world can provide. Here we have the basis for a new relationship which in all our interests must be developed strongly.

The unparalleled pace of OPEC development has brought action from thousands of companies round the world, many United Kingdom firms among them. In the first five months of this year British goods worth more than £750 million – over 9 per cent of all our exports – went to OPEC countries. The rise from the same months of 1974 was over 100 per cent.

Nevertheless OPEC countries' rise to affluence is a major event in the world's economic history. We have not adjusted to all the consequences yet. There are still very large business opportunities to be sought out, and adjustments to be made in our approach.

I do not think I am exaggerating when I say that our response will be crucial to the future of a great many British firms and to our prosperity as a nation. In these markets above all our industrial and managerial talent will be put to the test. If we make the right response – and make it urgently enough – we shall clear our way through a great many of the difficulties that beset us now.

One of the major things I have tried to do is to strengthen Government-to-Government relations with the OPEC countries. There are both direct and indirect benefits from this process, as this Report shows.

I have also tried to make sure that Government services for exporters are capable of supporting vigorous selling efforts in OPEC markets.

But the results we get during the next few years will depend on United Kingdom firms.

I hope that everyone who reads this supplement will ask the question very seriously whether his firm should be seeking more business with some of these countries, or perhaps in some cases whether an effort should be made from scratch.

There is no question that the very pace of OPEC development poses problems to firms in the United Kingdom. Another consideration is the very different framework of business relations and the very different business attitudes that these countries have.

The response to these market opportunities must be well prepared, from investment and product development in the United Kingdom through to the thoroughly professional selling operations that are essential on the spot.

In all these countries good market intelligence is essential. Skimping effort here can lead only to extra business for competitors.

The starting point must be to ask the right questions – and to ask them persistently enough. I hope this Special Report will prompt some of them for your business.

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How can we increase trade with OPEC?

Lord Limerick

Lord Limerick is a Director of Kleinwort, Benson Ltd. President of the Association of British Chambers of Commerce and a member of the British Overseas Trade Board

To attempt to give practical answers to this question in a single article is to risk over-generalisation. But experience of dealing with the countries concerned shows that there are some common features, just as there are differences to be stressed.

In looking to the future it is well to consider how our trade with OPEC countries came to be what it was before the oil shock in October 1973. Britain as a world trader had some commerce with all of these countries, in the form of exchanging consumer goods for primary materials, prior to our own industrial revolution. Thereafter we became increasingly concerned with the development of agriculture and infrastructure, notably for sea and rail transport, in the countries concerned. We also supplied and operated much of the communication systems and such industrialisation as then took place, especially in Nigeria and the 'special relationship' countries in the Gulf. The level of our trade exchanges was then governed, not so much by our own capacity to export, as by the quantity and the nature of the primary products available in settlement. The countries concerned were chronically short of foreign exchange.

Transformation of OPEC economies

All of this started to change in the 1940s with the large-scale export of oil. This generated foreign exchange in the form of royalties for the producing countries, while the capital and running costs of investments in oil exploration and exploitation were until recently borne externally by the oil companies. Naturally there was additional spin-off as a result of local spending by the oil companies and their staffs, and widespread changes in local consumer demand emerged. But the posted price of oil had declined in real terms since 1947 (there was no change at all from 1960 to 1970, when the money figure was lower than 1953). So the purchasing power of the royalties declined by comparison with the rising cost of imports, and any overall increase in imports depended upon higher oil production.

The watershed of course came at the end of 1973. Although the OPEC countries already depended, in varying degrees but in all cases very substantially, upon oil, we heard little talk of 'surpluses' before the major price rise.

The reactions of various OPEC countries to this explosive change in revenues were rather different. The difference depended substantially upon the volume of proven or estimated reserves in relation to annual production. Kuwait, for example, had already been obsessed for many years with the question 'what happens when the oil runs out?'. It is easy to overlook the basic fact that oil is a mineral and hence a non-renewable resource. Those who have it as their principal or only significant asset are naturally concerned, for so long as it is flowing, not only to acquire or at least to complete a modern infrastructure, but also to create a lasting alternative source of income in substitution for the oil revenues.

Fundamentally this can be done either within the confines of the country concerned, by developing agriculture and local industry (starting typically with down stream processing of oil and gas on the one hand, and of import substitution processes to meet local consumer needs on the other) or by building up income-producing wealth outside the country.

Market contrasts

This leads us to make some important distinctions. The first and obvious one is that between countries which depend exclusively on oil and countries which have other resources of land and materials awaiting development. The second distinction, which is even more important in the short term, is that between countries with substantial populations and countries with few. The propensity to absorb imports depends largely on these factors.

Let us consider some contrasts. Iran has 31m people, a climate and terrain suitable for major agricultural development, an old entreprenurial and artisan tradition, and abundant natural resources other than oil. Nigeria has about 80m people, which is more than the population of the British Isles, and the same broad conditions pertain. At the other end of the scale, Kuwait has about 900,000 people, less than half of whom are indigenous, while the United Arab Emirates

have 200,000 and Qatar a mere 100,000. Apart from oil, the economies of these countries would still be based on fishing and a nomadic form of agriculture. The same is true of Libya which, for all its vast land area, has only 2½m inhabitants.

Between these particular extremes there are other categories to distinguish. In one are the Arab socialist states of Iraq (11m people) and Algeria (16m), where state planning dominates and private sector activity is kept at a low level. In quite a different category are Iran and Saudi Arabia (about 6½m), monarchist states where the private sector flourishes and is stimulated as a matter of policy by making funds available on easy terms through development banks. Private enterprise flourishes similarly in the republics of Nigeria and Venezuela.

The planning mechanisms of OPEC countries also vary considerably. They repay study because they govern priorities, including finance. Cordiplan in Venezuela and the Plan Organisation in Iraq for example are old-established organisations employing well-qualified people using sophisticated evaluation techniques, although as always help will be needed in threading the bureaucratic labyrinths. By contrast, planning is a relatively new concept in the Gulf States, which tend to rely on consultants for overall plans as well as for specific evaluations. Development budgets have almost always been under-spent, largely through top management constraints, although insufficient infrastructure (especially port facilities) and chronic shortage of skilled and unskilled manpower may contribute more on occasions. And with the recent explosive increase in the budgets there is a dilemma between unacceptable delay in referring all proposals back for consideration in the context of a master plan, and a headlong, unco-ordinated rush into competitive projects which will all come on stream together, petrochemical plants in neighbouring Gulf States being the obvious example.

Joint ventures and consortia

The needs for the larger infrastructural and industrial projects can often be met, where they are outside the scope of individual companies, by forming joint ventures or consortia, with or without local participation. The more complete a proposal can be when it is presented, the better its chance of acceptance. The decision-makers may not have the experience and certainly do not have the time to put these packages together themselves. Such a package approach is valued in most of the OPEC countries. If the proposal commends itself the specification may be written in such a way, and the time permitted for alternative bids so short, that there is little difference from a negotiated contract.

Merchant banks and consultants have important roles to play here. They are often able to identify such opportunities and to put them to potential exporters. The next and vital stage is then to establish who is to speak for the consortium in early negotiation and to arm him with appropriate information and authority. It is equally important to agree which partner will take responsibility for the completion of the project, the provision of bonds and of any financial arrangements which may be required.

The joint venture, however, is not a permissable formula in all countries. Iraq does not permit foreign equity participations, whereas by contrast a minority stake may be invited or even insisted upon by countries like Saudi Arabia wishing to bind the overseas partner's long term interest to their own, not least in marketing the product. Likewise, Iran attaches great importance to joint ventures, and continuing protection against foreign competition can often be ensured. Nigeria requires that many businesses have 40 per cent local ownership, while others, mainly small-scale, are reserved wholly for Nigerians. In Venezuela the aim is 80 per cent local ownership, but this does not prevent operations with a much lower local content.

Finding partners in OPEC

Agency law also has as many variations as there are countries. No one may do business in Kuwait without a local agent. Other countries are adopting this pattern. Elsewhere the employment of an agent is generally desirable but not mandatory. In Saudi Arabia, where the employment of an agent is generally necessary,

How can we increase trade with OPEC?

it is forbidden in the case of consultants. The only safe generalisation in this, as in other key areas concerned with the choice of partners and the form in which bids are prepared and submitted, is to seek the best advice in each case. If a wrong step is taken initially it may not only take many months and substantial compensation to disentangle, but also set back temporarily or forever the efforts of the company concerned.

Cost escalation and bonding requirements

When it comes to finance, this is not normally the dominant problem in the OPEC countries although many of them are finding their budgets considerably tighter than they had expected for a variety of reasons. Substantial down-payments (up to 30 per cent of contract value) may be obtainable on signature in some countries, with the bulk of the balance payable on shipment or completion as the case may be.

The more serious problems are likely to come over the attempt to secure realistic cost escalation clauses and the problems of bonding. Leaving aside the special case of performance or even output guarantees for certain major turnkey jobs, the cumulative total of bid bonds and performance bonds may be very substantial, exacerbated by the fact that these may be required in an 'on demand' form, whereby they are not cancelled until returned by the party guaranteed, perhaps many months after completion of the work. Here again specialist advice is important. ECGD are now empowered to provide insurance cover for bonds in certain cases (see page 76) as well as giving partial cover for cost escalation on large, long-term contracts.

Scope in third countries

The wealth of the OPEC countries may be important indirectly in obtaining export contracts in third countries. Either on a government-to-government basis or through the medium of development funds, the OPEC governments may provide funds on soft terms or by outright grant in such triangular deals. The Kuwait Fund for Arab Economic Development (which now has worldwide scope) has a capital of KD1,000m and the Arab Fund for Economic and Social Development, also based in Kuwait, the Saudi Industrial Development Fund, the Abu Dhabi Fund for Arab Economic Development and the Islamic Development Bank based in Saudi Arabia are all capitalised at very substantial sums.

These Funds work to stated criteria and proposals falling within their guidelines may be put to them directly, subject only to the agreement of the government of the country in which the project is to be located. On the government-to-government plane some recent development in Egypt has been funded by Saudi Arabia and several projects in Syria by the United Arab Emirates. Several projects are afoot in Africa, notably the Sudan. If finance is a problem it is worth inquiring about these sources.

The right approach to OPEC markets

Which may be the best general business approach to the OPEC countries? There are a number of things not to do. The first error is to assume that all oil exporting countries, even those grouped cheek by jowl in the Gulf, can be treated in the same way. Each demands a studied approach and advice on the right contacts and business methods. From this it follows that little can be expected from a quick general tour. Success comes through painstaking homework and follow-up rather than by high-level visiting, even if you meet all the 'right' people. They will know little or nothing of your background but will be interested in the detail of what you are selling.

Business starts when you sit down face to face. Introductions and other forms of local 'assistance' may be important or even essential, but OPEC importers are like anyone else in preferring to deal direct with principals when discussions become specific. And while it will be intelligent to use a Lebanese agent in the Lebanon, the company which is persuaded by him that he can be an effective representative throughout the Middle East is branded as an amateur.

Great scope for specialised firms

Much of this article has been concerned with opportunities open to, and problems facing large companies. I shall therefore end by stressing the innumerable openings which exist for specialists, including professional firms. There are many examples of successful working confined to one or two countries and exporting efforts by no means necessarily involve expensive coverage of an entire geographical area.

I personally believe that the expansion of our exports in the long run will depend more upon the marketing of specialised products than upon bidding for projects in the face of fierce international competition. To set against the occasional stories of frustration, bribery and perhaps financial loss there are innumerable shipments made successfully every day on cash or letter of credit terms, where a specialist product is in demand and flourishing trades are expanding. These trades may in due course lead to local ventures which will prove equally successful, and may indeed be the condition for retaining the market.

Action now

Making the obvious allowances for climate, custom and religious sensibility, there is almost no limit to the potential for selling to OPEC countries. Reputations, however, may be lost quickly and sometimes irrevocably if delivery promises are broken, prices are increased in a way which seems unfair, or back-up spares and servicing are not maintained at reasonable levels. These are the complaints most often levelled at British exporters today.

But other exporting countries are criticised at least as much on these counts and Britain's commercial reputation remains high. We have other advantages of language, training and long association working for us. Now is the time to build on them.

The British Bank of the Middle East

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Middle East
North Africa India
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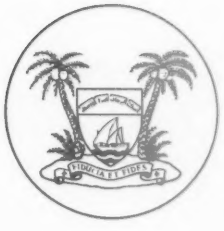
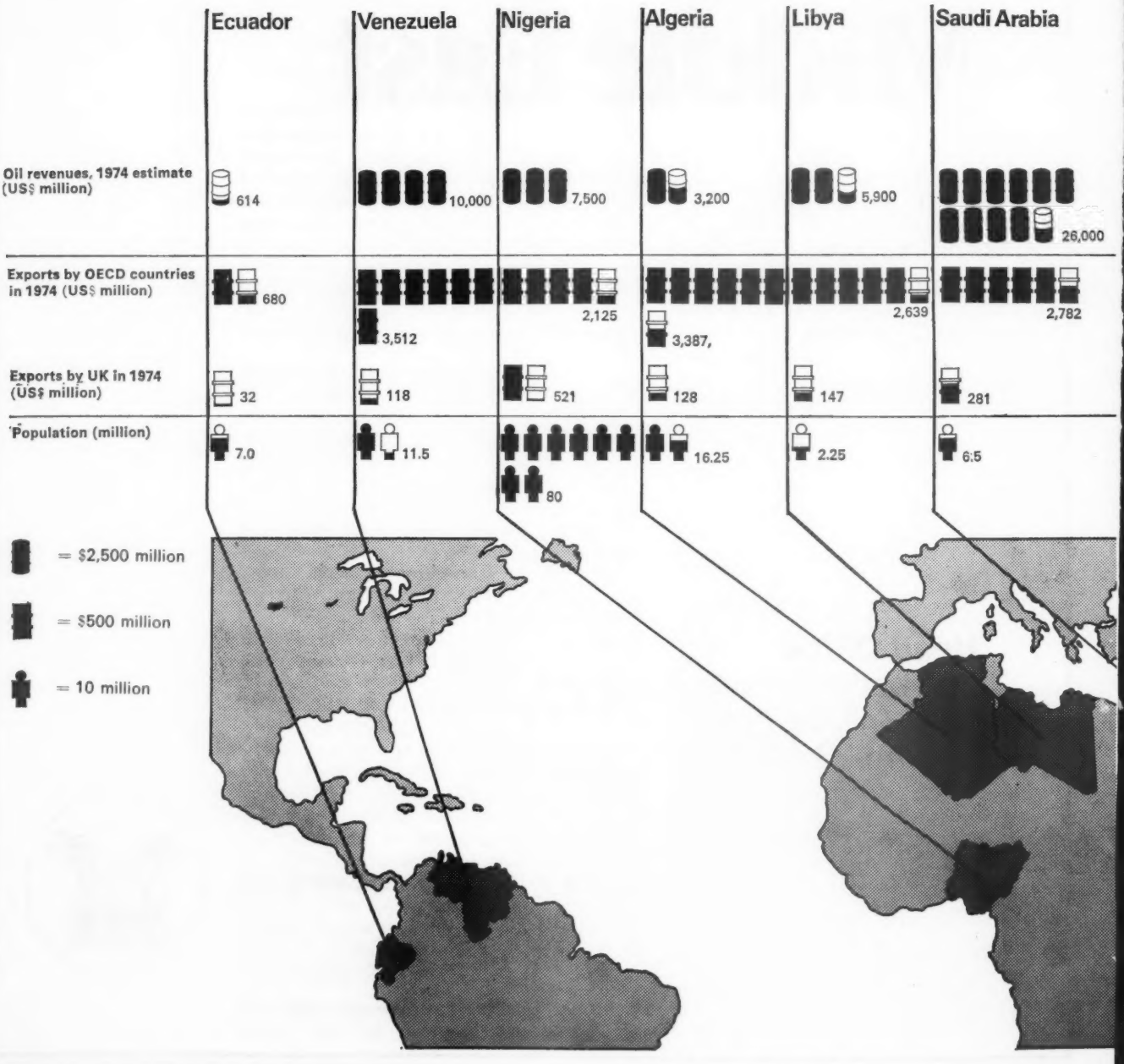
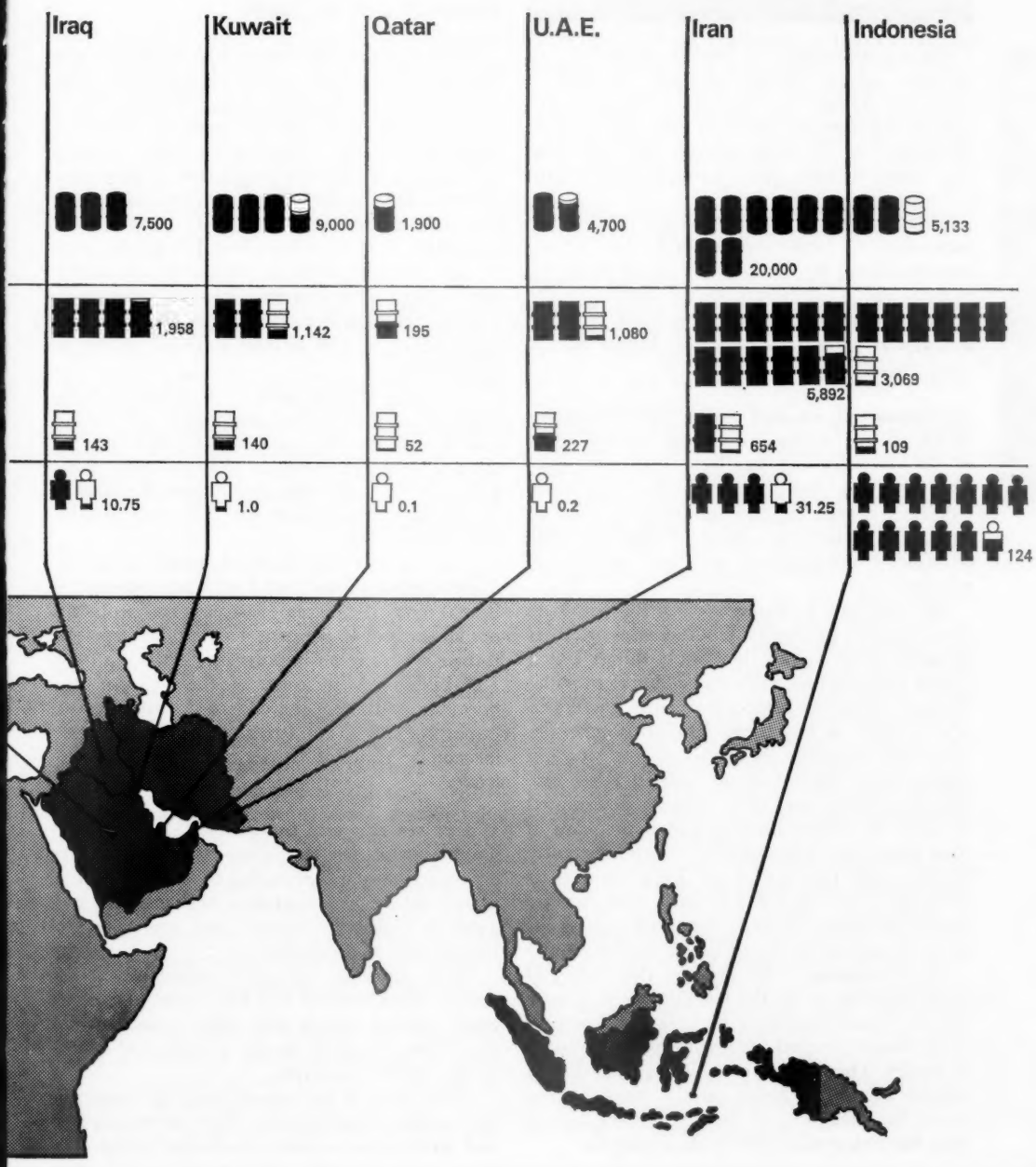


OPEC at a glance




Iraq
Kuwait
Qatar
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Iran
Indonesia
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195
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5,892
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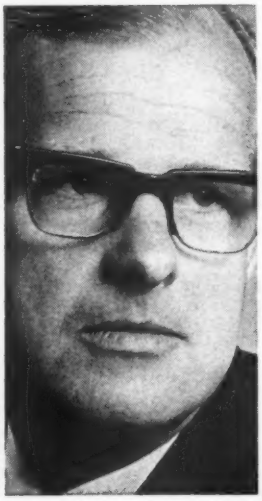
124

New priorities for Government and business

John Caines, Under-Secretary, Department of Trade



There is nothing new for British commerce and industry about doing business in OPEC countries. These countries were taking 5 per cent of our exports five years ago. The United Kingdom has for long enjoyed close relations with many of them, Nigeria and the Gulf States in particular.

The revolutionary change is the total transformation of opportunities for our trade, brought about by the increase in oil prices 18 months ago. Collectively OPEC members are already among our major export markets. They are almost certain to rank still higher in the years ahead.

Ambitious plans and major opportunities

Much of the debate about the consequences of the oil price increase has necessarily concentrated on the problems for consumer countries caused by the sudden and massive transfer of resources to a group of nations unable to absorb immediately all their additional revenue.

But there is a brighter side. OPEC countries have gained unprecedented increases in their spending power. And they want things which for the most part we ought to be able to provide. There is a genuine respect for British goods and a keen desire to buy them. English is generally the second language. Many of the top decision makers have studied in the United Kingdom. These countries are, quite simply, determined to seize the opportunity to widen the base of their economies. Most of them depend currently on the single resource of oil. They see that its potential is limited either because their reserves are not inexhaustible or because oil's importance as an energy source could fall in the future.

Now, therefore, is the time for the leaders of these countries to lay the foundations of a more broadly based prosperity by ensuring that new industries are created to provide jobs and sources of wealth. They see the present as giving them a unique chance to build up the physical and social infrastructure of their countries and to raise the living standards of their peoples.

Their plans are ambitious both in their scope and in the desired speed of execution. For example, Saudi Arabia's new five-year plan is for spending $142 billion between 1976-80. Iran – which in recent years had already achieved an impressively high rate of economic growth – has doubled the target level of capital expenditure envisaged under its current five-year plan: instead of spending $36 billion over the five years to 1978 the aim now is to spend $69 billion. The Nigerian capital investment plan for the next five years originally envisaged expenditure of $18 billion; now the target is $53 billion.

The expenditure plans of other OPEC countries show similar huge increases. This reflects the fact that their total oil revenues increased from $38 billion in 1973 to nearly $100 billion in 1974. Despite the decline in demand for oil the revenue figure for 1975 may well be over $100 billion.

They have already shown a greater ability to absorb imports than most forecasters expected – in real terms the increase last year was probably not far short of 40 per cent. I should be surprised if their spending on imports in 1975 is less than $50 billion. A measure of their future importance is that by the end of this decade the imports of OPEC countries are likely to account for not far short of 10 per cent of total world trade.

Where we can win business

Twelve countries straddling three continents are clearly very different. But their development plans contain some common elements which I want to highlight because they are suited to British skills and capabilities.

First, there is industrial development in sectors which depend on a high input of energy. Steel, petrochemicals and other raw material processing industries are the ambitions of nearly all the OPEC countries.

Then there is the whole range of economic and social infrastructure. This means schools and universities to create the trained manpower

needed for the future. It means hospitals and health centres. It means more and much better roads and railways, ports and shipping and airlines and telecommunications. There are huge demands for power. In Iran the plan is for installed electricity generating capacity to increase by 30 per cent a year. In Nigeria capacity is to treble in five years.

More food

Another common element is the need to expand food output. The scale of agricultural development – involving the transformation of whole regions, extensive irrigation, development of livestock, fertiliser manufacture, and processing and distribution of agricultural products – is larger than anything with which we have been familiar hitherto. Although we have the technology, we may need to develop a stronger organisation for marketing our agro-industrial capability if we are fully to participate in the programmes now being drawn up.

Countries like Iran, Iraq, Nigeria and Venezuela with the manpower and the other resources intend to develop extensively other industrial sectors such as textiles and vehicle assembly. This process will mean major additional demand for machine tools, welding equipment, textile equipment, packaging machinery equipment, automotive components and industrial and automotive engines.

As oil wealth permeates through OPEC economies there will be growing markets for consumer goods, ranging from consumer durables like domestic electrical equipment to books and periodicals. These opportunities already exist in some OPEC countries. British companies should be able to satisfy some of this demand. But there will in some cases doubtless be an element of home market production in this sector.

The OPEC countries have shown themselves ready to spend a considerable slice of their surplus revenues on aid to other countries in the Arab world and elsewhere. In many cases aid is to be allocated to particular projects and participation here represents a further opportunity for British trade and commercial enterprise.

In order to translate this money into physical development technology and management are needed. Ministers in OPEC capitals repeatedly stress the need to combine the oil producing countries' capital with the technologies and skills available in Britain and to direct these so as to develop other parts of the world.

Special needs of OPEC markets

Broadly these are the opportunities. There are important features of the situation in the OPEC countries which demand a special response, and which are of special concern to the United Kingdom Government.

First, the governments of OPEC countries tend to be directly involved in decisions affecting project expenditure.

Second, much of the demand is for complete turnkey packages, including training and even management capability, as well as buildings, equipment and marketing help.

Third, the timetable set for development means that some OPEC countries want to allocate projects on a negotiated country-by-country basis rather than by the more time-consuming process of competitive tender. They want the governments of supplier countries to help by analysing development plans, by identifying projects which industries in their countries are willing and able to carry out and even by identifying the firms or groups with the right capacity and skills.

Fourth, countries like Iran, Saudi Arabia, Nigeria and Venezuela with industrial development in the private sector – sometimes in partnership with state organisations – are seeking participation by British firms through joint ventures. The reason is not shortage of finance but because joint ventures assure continuing involvement in the future success of projects. As one Iranian Minister has put it, the investor looking for a 'quick-buck' is not welcome; 'the basic philosophy is that he should associate himself with the prosperity of Iran'.

New priorities for Government and business

Fifth, much of the major project business is for cash and therefore particularly helps our balance of payments. But this advantage cannot be had for nothing. In order to protect themselves – and to provide an incentive for suppliers to execute projects efficiently and on time – many OPEC buying organisations impose special conditions of contract. Not only is there a preference for fixed price business but bid bonds, guarantees against down payments and performance bonds are also often required. These conditions impose a heavy strain on the financial resources of British exporters. Moreover, they are exposed to potentially heavy liabilities in the unfortunate event of something going wrong.

Increasing Government help

The Government frequently asks exporters to do better and to pursue this or that opportunity. So it is entirely right to ask what the Government itself has done.

The Government's policy is clear and simply defined. British exports to OPEC countries are moving upwards steeply and everything possible must be done to make sure that this trend continues. In translating this into action important steps have been taken.

Government export services have been reviewed to take account of the new pattern of our market opportunities. Overseas Posts have reported a doubling of British business visitors calling upon them for advice and help. They are being strengthened to respond to this upsurge of interest.

From these Posts comes news about export opportunities which is passed immediately to subscribers to the computerised Export Intelligence Service.

Complementing this and the other official export services (see page 74) there are the valuable activities of the BOTB's Area Advisory Groups (the Committee for Middle East Trade, the Tropical Africa Advisory Group, the Economic Affairs Committee of Canning House), of the Middle East Association, of the CBI and of the Chambers of Commerce. During 1975 the BOTB will be supporting missions to OPEC countries at the rate of almost one a week and fairs, exhibitions and similar events at the rate of nearly one a month.

Commercial Relations and Export Divisions

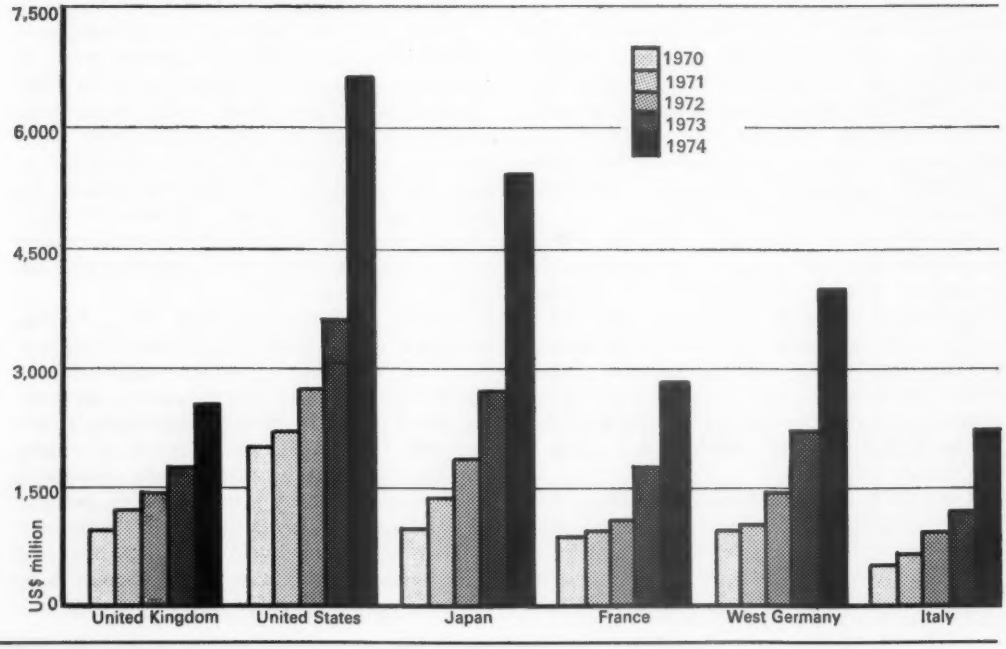
Last year a new division in the Commercial Relations and Exports (CRE) part of the Department of Trade was created to focus the Government's effort in the Middle East and also to co-ordinate general policy questions affecting all oil-producing countries. I was put in charge of this division. This entirely new structure has enabled us to devote greater effort towards these markets. My staff and I maintain close contact with Posts in the Middle East – within the last nine months nearly all of the countries in the region have been visited at least once by one or more members of my division. We encourage businessmen to come to us for market advice. We go round the country speaking at seminars and talking to individual firms.

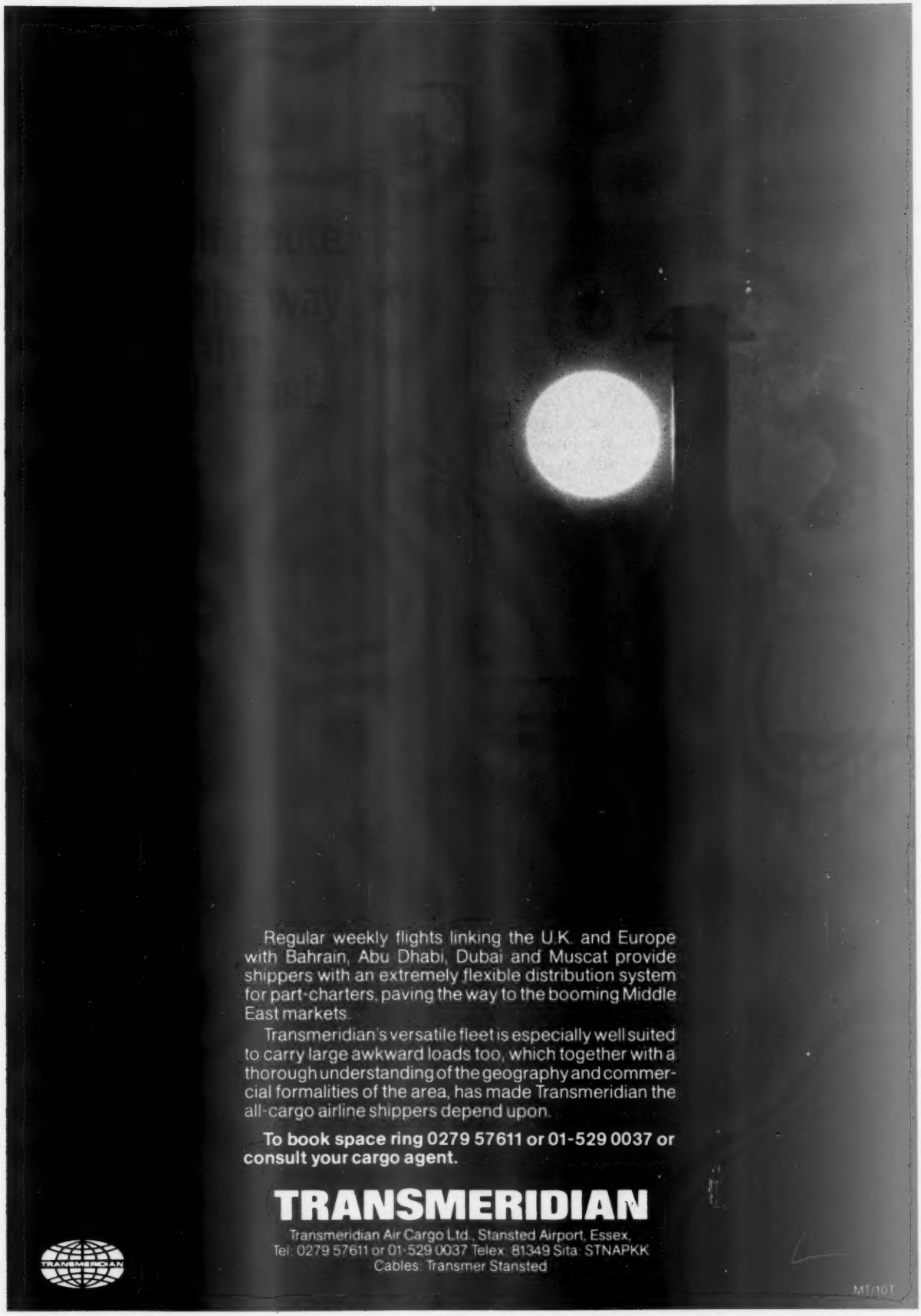
The division has another two major functions: servicing the special inter-governmental commissions and harnessing Government resources to support British firms in a joint effort to win business in the Middle East.

The fact that I have charge specifically of the Middle East does not mean that other OPEC countries take second place. My division's activities are matched by those of the other Commercial Relations and Exports Divisions which deal with OPEC markets outside this region.

A great deal of Government help and advice can be given to potential customers in OPEC markets through the Department of Trade's

Main OECD countries' exports to OPEC

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New priorities for Government and business

Commercial Relations and Export Divisions. For example, the Ministry of Agriculture, Fisheries and Food can assist in finding the way to take advantage of agricultural business. Through organisations concerned with training and education these vital elements can be added to proposals made to OPEC governments. The Department of Health and Social Security can help firms seeking health and hospital projects. The Department of the Environment can mobilise the resources of its own construction experts as well as the technology within its research establishments. DOE also has unrivalled experience in regional and urban planning. With OPEC countries' huge plans for new housing and urban development the United Kingdom's own experience of new towns is another asset which might be deployed to support our overseas trading effort. The Department of Trade's International Technological Collaboration Unit – created to service co-operation agreements with Eastern Europe – has capabilities highly relevant to the Middle East with its appetite for transfer of technology.

These are but a few instances. Each day brings to light new areas of experience from the British public sector which can be put at the disposal of OPEC customers. For example we have recently made it possible for the White Fish Authority to make its services available for projects in Saudi Arabia and elsewhere.

The OPG and ECGD

The Department of Trade has reviewed the activities of the Overseas Projects Group – set up in 1968 to help British consultants, contractors, manufacturers and bankers win contracts for large projects overseas. As a result OPG will have a new impetus, particularly in pursuit of the major project business in OPEC.

Wherever possible the Government wishes to remove constraints which prevent British firms from taking advantage of major export opportunities. Hence besides its traditional facilities ECGD now has new powers to help with the problem of cost escalation and to assist with providing performance bonds. These arrangements were announced last February and are now in operation. (For ECGD services see page 76.) More recently the Government has announced that there will be a scheme for helping with pre-shipment finance.

Inter-government collaboration

Given OPEC countries' desire for a closer government involvement in trade and economic development we have been seeking to create a top level relationship helpful to British exporters.

This takes two forms. Over the past months there has been a series of visits by the Secretary of State for Trade and other Ministers to almost all the OPEC countries. These visits underline the political importance which the British Government attaches to closer trade and economic links with these countries and they can support individual firms' efforts in seeking business there. Ministers are also able to demonstrate that Britain has the industrial, technological and commercial capability for contributing positively to development at the scale and pace required.

The second aspect arises from the wish of a number of OPEC countries to establish formal inter-governmental machinery to monitor the conduct of our economic and industrial co-operation. Before the oil price increase in 1973 we had already set up a joint economic commission with Iran which was starting to contribute substantially to the closer economic relationship between the two countries. Before long similar formal inter-governmental machinery will have been created with several other OPEC countries including Saudi Arabia, Iraq and Qatar.

Those who trade with the centrally planned economies of Eastern Europe will be familiar with such commissions. They can be particularly useful where an overseas government exercises a close central control over economic development. Through the joint commissions we can hope to identify projects of potential at the earliest possible stage. Where British companies are involved we can monitor progress. Just as we are asked by the other governments concerned to help solve problems which arise on our side, we can raise with them any difficulties British companies face in dealing with them.

Competing for major projects

In many cases OPEC governments want our advice on which projects the United Kingdom can handle best and which United Kingdom enterprises are best qualified to undertake them. They also want our help in making sure that there is only one composite British bid for the project. This makes closer involvement of Government with industry inevitable.

There is no single method for doing this. In many cases it is simply a question of backing a strong contender who is already in the field and making it plain to others what the situation is. But sometimes the Government has to encourage British firms to group themselves together for a unified British response. This makes good sense because we cannot afford to see British firms cutting each other's throats or wasting valuable resources by duplicating their efforts unnecessarily.

In this we need a continuing dialogue with industry. It is not a question of forcing unwilling firms to go for business 'in the national interest' but rather of finding those who consider it to be to their commercial advantage to pursue the business and then to devise support and tactics to give them the best chance of success.

Action by commerce and industry

I have said a lot about major projects. But it would be wrong to leave the impression that the OPEC markets are for the big firms only. The projects themselves offer plenty of openings for medium and even small firms to secure valuable business from the project leaders whether they

One of six 37-metre fast patrol boats designed and built for Venezuela under a £6 million contract awarded to Vosper Thornycroft of Portsmouth shows her paces during final sea trials off the English coast.

The British Ambassador to Kuwait leads a group of admiring Kuwaitis off a British airways Concorde at the close of one of a series of recent demonstration flights around the Gulf.

New priorities for Government and business

are in this country or elsewhere. There is also a great deal of scope for direct sales of goods and services by relatively small firms who are prepared to devote capital and manpower to exploiting markets properly.

Through its export promotion machinery the Government can whet firms' appetites and point out particular opportunities. Whether firms decide to go after the business is for them alone to judge. Each firm must do its own homework and its own market research. Many need to visit the countries and make surveys on the ground. For others, taking advantage of OPEC opportunities may involve no more than finding out what their major customers in this country are doing about the OPEC markets.

OPEC markets are by no means easy. The competition is keen. The conditions for doing business can be onerous but the rewards now and in the future are great. The economies of these countries are in a position to take off in a major way – some are indeed already growing at a record rate. Now is the time to gain a foothold in these markets in order to be able to take advantage of a continuing partnership as the prospects improve further in the future.

Those who demonstrate the most interest in the markets will get the most business. Speed of response is essential even if we have to be patient over the response from the other side.

Decisions – certainly about the large contracts – are in the hands of very senior people in the OPEC countries. This means that business has to be settled at the highest level and that it is essential for the top men in British firms to support the efforts of their export managers by themselves making visits, demonstrating by their presence the priority they give to these markets. It is no good sending people out who have to keep referring back to headquarters. Nor is it much use expecting to do worthwhile business on a brief visit. That is not the way the client wants to work and that is not the way our foreign competitors operate.

Market performance and prospects

At the beginning of this decade OPEC countries took 5 per cent of our exports. In the first five months of this year they were taking over 9 per cent.

Provided we now hold our market share – and provided (as seems likely) the volume of OPEC countries' imports increase by an average of one-fifth annually – about 15 per cent of our total exports could be going to these markets by 1980. This would be a major change in our trade making the OPEC countries as important to our trade collectively as North America is now.

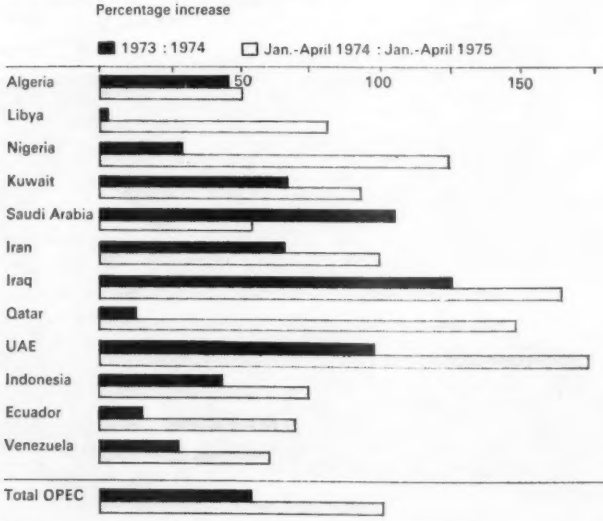
Last year our exports to the OPEC countries increased in value by over half, significantly more than the one-third rise in our total exports, but still appreciably less than the increases achieved by our major competitors. To a large extent last year's deliveries reflected orders placed before the surge in oil revenues.

The latest figures show that our exports are rising still more strongly. In the first five months of 1975 they were more than double the value of a year earlier, with notably large increases to the United Arab Emirates, Iraq, Qatar, Nigeria, Iran and Kuwait.

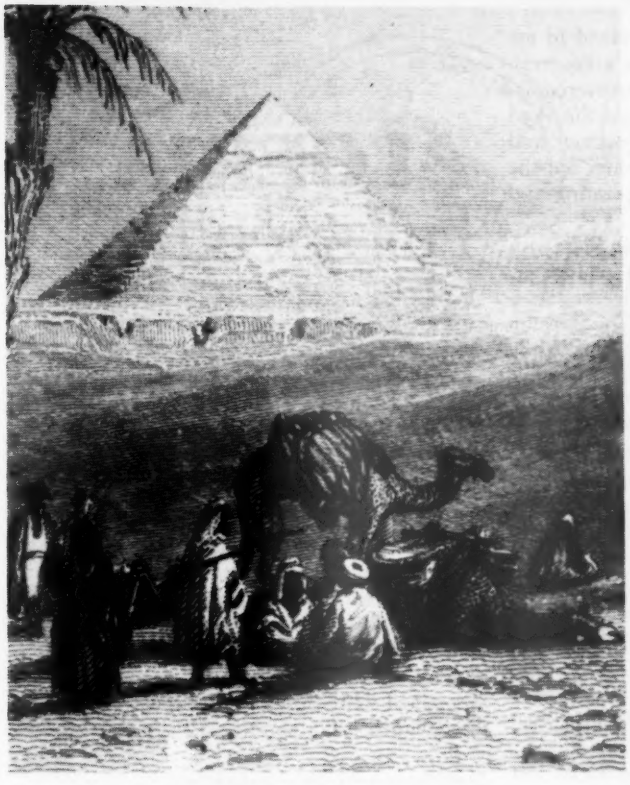
The deficit on our crude balance of trade with OPEC is now much less than it was. At the beginning of 1974 our exports paid for less than a quarter of imports. Now they are sufficient to cover over half our imports – almost back to the position we were in before the oil price-increases. And these figures make no allowance for valuable earnings from invisibles.

The worldwide growth of interest in OPEC markets is a telling answer to those sceptics who argue that this is a politically unstable area best left alone by the prudent firm. No one can afford just to stand aside and let competitors gain what are now the world's fastest-growing markets – and markets which will almost certainly stay among the leaders for a very long time to come.

UK exports to OPEC



	Value £ million			
	1973	1974	Jan.-April 1974	Jan.-April 1975
Algeria	37.9	54.7	16.4	24.5
Libya	61.1	62.5	16.9	30.4
Nigeria	172.7	222.4	59.4	131.3
Kuwait	36.1	59.8	13.3	25.8
Saudi Arabia	58.5	119.7	34.2	53.7
Iran	169.4	278.6	69.5	137.5
Iraq	27.1	59.8	14.5	37.6
Qatar	19.4	22.1	5.1	12.6
UAE	49.4	96.9	19.7	52.9
Indonesia	32.8	46.7	13.4	23.1
Ecuador	11.8	13.6	3.5	5.9
Venezuela	39.2	50.3	13.0	20.7
Total OPEC	715.3	1,087.1	278.9	556.0
Percentage of total UK exports	5.7	6.6	5.7	9.1



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ALGERIA
Full speed ahead for industrialisation

Richard Czartoryski

Doing business in Algeria was described to me as the exporter's version of Pilgrim's Progress. There are trials and tribulations to overcome. There is the odd slough to watch out for. And the temptation of giving up the journey and taking the next plane out can be strong. But the rewards, if not eternal, can be long-lasting and considerable.

In a country that has come a long way with little experience, and hopes to go a lot further, familiarity breeds confidence. The reserve sometimes shown to strangers is partly caution against being taken for a ride – it is certainly hard to do business in Algeria before you have made yourself known.

Algeria has given quite a lot of business to those firms it has satisfactorily dealt with in the past. Pritchard-Rhodes has won contracts over the years to build several gas liquefaction plants. Constructors John Brown's latest in a line of projects is the building of compressor stations for the Hassi R'Mel – Skikda gas pipeline. Stothert and Pitt last year won the first order for electrically operated dockside cranes placed since independence. Algerian ports are still using the company's cranes installed over 20 years ago. There are other examples in a variety of sectors.

The benefits of familiarity can easily be lost however. Recently, there have been cases of established contractors losing contracts to newcomers. Price, delivery and after sales performance remain the critical factors. But for those who qualify in those respects there is scope for repeat business. Especially for smaller contracts or replacement orders, firms that are already known stand a better chance.

More than one Algerian confirmed that satisfactory past performance counts for a lot. Even though practically all purchases are put to tender, some tenders are limited to known quantities.

A number of British firms have been approached direct by the Algerian state companies and asked to bid. A limited tender is issued in such cases but usually only to compare the prices of other firms.

It was made very clear to me that Algeria does not want people who are just out for a quick sale and who will never be seen again. At the very least firms should be prepared to provide full back-up service. Ideally, Algeria is after firms prepared to contribute something to the country's development.

This is reflected in the growing demand for *produits en main* contracts. In the Algerians' words this is a 'legal formula intended to ensure the wholehearted co-operation of foreign concerns'. The ultimate objective being that Algerians should run the project or factory. In practice this usually means providing technicians to train Algerian workers, providing financial help and guaranteeing the output of the plant after it is handed over to the Algerians to operate. Clearly this is no mean undertaking, particularly when it involves sophisticated operations. Whether Algeria will succeed in getting many firms to enter such an uncertain area is debatable, but it clearly shows their way of thinking.

It is a way of thinking that permeates through to all kinds of business, big or small. Algeria is not the kind of market for someone who just fancies 'dropping in' as some do, because they happened to be in Tunis and are on the way to Casablanca.

Patience and determination

Determination is certainly an important quality in a businessman intent on breaking into the Algerian market, for it is easy to get discouraged.

It can be a long and tedious road. Negotiations take time and even when a contract has been signed there can be delays before the necessary approval for imports and finance are received.

Then there is the need to be careful all along the way to adhere to the rules and follow the red tape. Payment tends to be slow. The bigger the money involved the greater this problem seems to be and the more important credit arrangements become.

For the British businessman working in Algeria there is the problem of housing which is scarce and very expensive. There is also the need for residents to obtain exit visas.

The difficulties of doing business in Algeria are not unique to this country but they have to be appreciated. It is surprising how many businessmen turn up at the British Embassy in Algiers without the first idea of what they are up against. For instance language – it is little use trying to sell in Algeria without a reasonable command of French. It is equally important to be backed up by literature in French in order to keep the company's name and product in officials' minds after you have gone. Even literature with a French resume is something, although a poor second best.

The hotel situation is serious in all the main towns and it is essential to secure a room before leaving Britain. Even then there is no guarantee that rooms booked will actually be available on arrival.

Patience is another important quality because in order to sell anything you have to get to know

the top officials in the various *Société Nationales* and *Offices Nationales*. These organisations run the economic development of the country within general guidelines. They place the orders and hold a monopoly for the bulk of Algeria's imports. The people who really count are busy men and few in number. To expect to drop in at short notice and be seen straight away invites disappointment. The simple answer is to leave plenty of time.

Forewarned and forearmed however there is a wealth of business to be had in the coming years. Algeria is in a hurry. It is running as fast as its petroleum revenues and ability to borrow money will carry it. Industrialisation at maximum speed and with single mindedness has characterised much of the past decade and looks like continuing, judging from the extent of the current 1974–77 Four Year Plan which envisages expenditure of $27,000m.

Many developing countries publish plans more in hope than expectation. But although Algeria's current income is less than was anticipated a year ago it is a fair bet that every available Dinar will be spent to meet as much of the plan as possible.

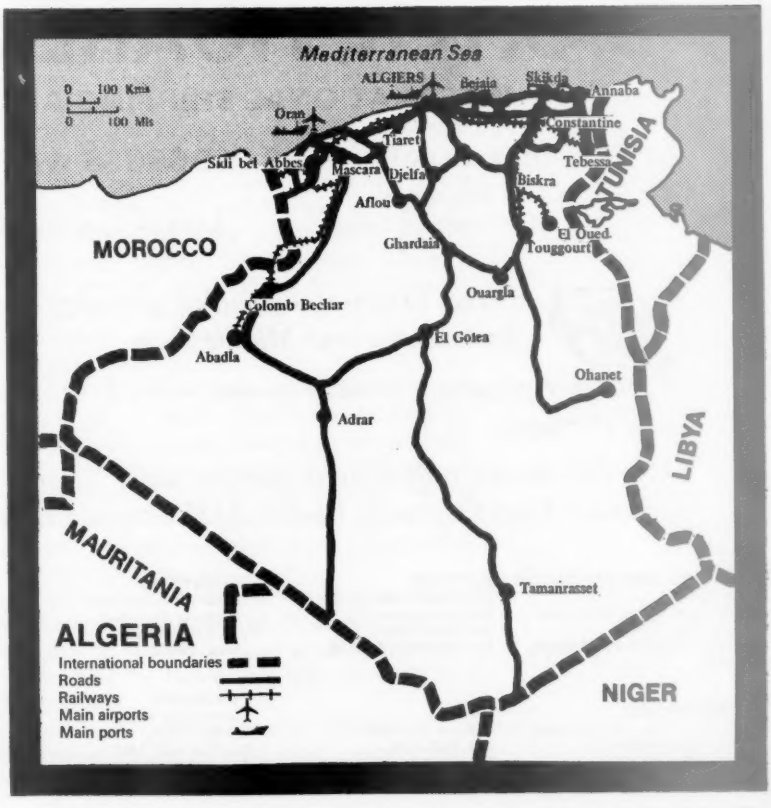
Previous plans concentrated on building a heavy industrial base which could utilise the country's resources and which would in future be transformed and used to feed other industries. This process is now under way with oil refineries and LNG plants at Arzew and Skikda; fertiliser plants; thermal plants for electricity generation; and of course the El Hadjar steel plant which is being expanded to an annual capacity of 2m tonnes by 1980 (this is the project for which W. S. Atkins won what is believed to be the biggest independent engineering consultancy anywhere in the world and worth an estimated £25m in fees).

Under the current development plan about half of the investment is earmarked for the industry, mining and energy sectors. A number of projects will follow a familiar pattern – major extensions of oil and gas pipelines; expansion of gas liquefaction and refining facilities in different regions of the country; increased production of fertilisers with doubling of capacity for phosphatic fertilisers and the construction of several units to produce ammonia, nitric acid and ammonium nitrate; development of petroleum based industries such as chemicals, plastics and tyres, involving the setting up of about 75 workshops over the next seven years; expansion of the plastics processing industry costing $350m; power stations and so on.

Greater openings created

Algeria is now building up from this base to meet the growing needs of her internal market. Factories for assembling trucks, tractors, motorcycles and agricultural machinery are now coming into operation. The current plan takes this process much further, creating openings for a greater number of firms.

A number of metal processing projects requiring foreign participation are planned, the



ALGERIA
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objective being to meet expected demand by 1977 of 1.7m tonnes of finished iron and steel goods.

Algeria's first shipyard is planned for 1977. And, as one Algerian told me, there should be scope here for a maritime nation like Britain to supply the necessary equipment.

In the chemicals sector there will be projects to meet growing home demand for such items as antibiotics, paints, cosmetics, cleaning products and resins.

The engineering sector which under the last four year plan invested $400m is receiving a further massive injection of cash. Units are planned to manufacture private and industrial vehicles, transport and agricultural equipment and a wide range of parts like valves, pumps, taps down to bolts and screws. For the future, studies are being made for extending production of smaller engineering products still further.

In the electrics field, production units are planned for wire, cables, alternators, transformers, batteries and a lot more besides.

Building materials will prove a vitally important area since a lot have to be imported at present. Numerous works for producing cement, bricks and tiles, plaster, lime, ceramics, asbestos, agglomerates and aggregates are planned or are already under construction.

The future will see a far wider range of manufacturing projects initiated and Algerian factories producing more consumer goods to meet a rapidly growing market whose aspirations have till now taken second place to building an industrial base. There will have to be an element of sacrifice for a number of years yet. But by 1978 Algeria hopes to go a long way towards satisfying national demand for refrigerators, washing machines and gas cookers. Production of clothing, footwear, household goods, furnishings and furniture will also be expanded.

Agriculture, which has tended to be neglected in the past in the rush towards industrialisation, will now receive high priority with emphasis on development of scarce water resources. Recent British agricultural exports to Algeria have included cattle and seed potatoes. Hand in hand is expansion of the food processing sector. Flour and semolina mills, and factories to produce pasta, couscous, biscuits, sugar, chocolate, preserves, mineral waters and lemonade are projected.

Turning all these projects into reality will itself require massive imports of equipment, machinery, hardware, machine tools, materials and spare parts of many kinds. Britain has traditionally been strong in this field and there is no reason why we should not do a lot more, providing firms can prove themselves reliable, especially from the point of view of delivery and back-up service.

Although large capital projects tend to make the headlines, Algeria was never exclusively a market for the big boys and now it is even less so. There are numerous openings for medium and, in certain sectors, even smaller firms.

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In the health sector, which is rapidly expanding, the programme includes at the upper end four 1,200 bed teaching hospitals. There are a number of smaller hospitals of 120 to 240 beds. And it also offers opportunities for hospital and medical equipment and pharmaceuticals worth probably £20m a year.

More interest needed

Britain at present has only a tiny percentage of this market. Whether we increase this clearly depends on our firms showing a lot more interest.

A British team from the Department of Health and Social Security visited Algeria in December 1974 and found that although the Algerians were as keen to do business with Britain as with any other country, British firms had shown a distinct lack of interest.

As a result of this visit and initiatives on the part of the British Embassy in Algiers, a number of British firms have since ventured into the market in the hope of winning contracts for supplying pharmaceuticals, medical and laundry equipment and for designing and building hospitals.

A professor in Algeria's biggest hospital commented that he rarely saw British representatives. He also added that there had been little or no follow up from British companies he had visited as a member of an Algerian medical team. A number of Algerians claimed that their experience of after sales service provided by British firms was not encouraging.

These were not isolated criticisms. Unwillingness to provide efficient after sales service and to send out technicians when something goes wrong has lost several British firms the opportunity to do further business in Algeria. There were other recurring themes which I heard from the Algerians. A lot of British businessmen lack aggression and determination. They give up too easily. They come ill informed about Algeria's requirements and often do not send out people of a high enough calibre. They visit the market only once and never come back.

It is rare to come to Algeria and make a sale first time. For one thing most orders go out to tender. Secondly you have to make personal contact and get yourself known. A representative of one British firm now doing business in Algeria said this had been achieved by hammering on doors and visiting people, leaving literature behind and making sure that the company's name became familiar to the particular *Société Nationale*. When the right tender turned up the company was by then no longer an entirely unknown quantity.

Although the language is French, as are many of the practices, Algerians are keen to tell you that France has no special favours in the market. Since independence, policy has been to diversify trade where possible. In 1968 nearly 60 per cent of Algeria's imports came from France. The proportion now is nearer 30 per cent.

On the face of it Britain has done well out of this diversification. Our exports to Algeria have risen from £3½m in 1969 to £55m last year, making this one of our fastest growing markets. But other countries like Germany, Italy and Belgium have done even better.

British firms could be paying a lot more attention to consultancy work; to smaller sized business (so far our efforts in Algeria are heavily weighted at the jumbo end); and to the supplies sector.

Algeria's potential

One cloud on the Algerian skyline is the shortfall in oil revenues which could lead either to a certain cutting of cloth and postponement of some projects, or heavier borrowing. For this reason the Algerians are looking for the largest possible credit terms and fixed prices – something which puts at a disadvantage British firms which have to allow for one of the highest inflation rates in the industrialised world. This is another reason why British firms could concentrate a lot more on the smaller end – equipment, machinery, instruments, parts and the like – since credit is less of a problem here and payments are less slow.

There is also a shortage of skilled personnel and not enough training capacity. Factories are failing to meet production targets once the foreign contractor has left. A number of technical assistance contracts have had to be given to remedy this and to retain foreign expertise a little longer. *Produits en main* are an attempt to get round this problem by putting the onus of making everything turn out right on the night on contractors.

On the other side of the balance sheet is Algeria's potential and the foundations it has already laid down.

Algeria has a lot going for it – oil production which last year approached 50m tons a year; natural gas reserves which could make Algeria the world's biggest exporter of gas; and iron ore, phosphates and other minerals which are only now starting to be exploited. It has the human resources to become an industrial nation – a population growing at about 3½ per cent a year with two-thirds of its people under 25 years.

This rapidly growing population is another reason why Algeria has to hurry. There is urgent need to start earning money from industrial projects in order to pay for food imports which at present cost a third of its oil revenues.

But for some time to come it will need foreign technology and skills. That means business for firms who are capable of providing the necessary goods, services and training. Britain's present participation in Algeria's development is just 4 per cent. There is scope for firms with a competitive attitude as well as a competitive product to increase this.

The number of firms that return from Algeria disillusioned (often through their own fault) are matched by those that have gained experience, learnt how to tackle the idiosyncracies and succeeded.

One thing is certain however. Those who lack determination and stamina stand a good chance of falling by the wayside in Algeria.

ALGERIA

Population	16.28m
Gross domestic product (1973)	$7.2b
Income per head (1973)	$350
UK exports	
1974	£54.7m
Jan.-April 1974	£16.4m
Jan.-April 1975	£24.5m
UK imports	
1974	£36.2m
Jan.-April 1974	£24.1m
Jan.-April 1975	£20.1m
Development expenditure	
1974-77	$27b
1970-73	$7.4b

Currency
£1 = 7.99 Dinar
$1 = 3.52 Dinar
(as at 23 June with £1 = $2.27)

LIBYA
Don't believe all you read

Richard Czartoryski

The growth pangs are everywhere. Much of the country resembles a building site. At night the lights of ships waiting to unload their cargo at Tripoli look like a city in the sea. Some 150 vessels were patiently queuing when I was there. The few hotels are bursting at the mortar, crammed with businessmen and delegations from all over the world. Those who arrive without a booking hang around like refugees for something to turn up. And when I left I was advised to get to the airport two hours early in order to be sure of a place even with a reservation.

This is Libya 1975. There is no doubt that rapid expansion is creating frustrations. But it is also creating enormous opportunities for overseas companies. Opportunities which could in many cases be going to British companies but which in many cases don't.

'You might find it hard to believe, after all that is written about Anglo-Libyan relations, but the ordinary Libyan businessman likes the British and their products and would prefer to deal with us wherever possible. This advantage is gradually being frittered away as a result of neglect and a "couldn't be bothered attitude" on the part of some British firms.' So said the first British businessman I met in Libya, and this view was to be echoed in a number of subsequent conversations.

At a time when Libya's imports increased by leaps and bounds as a result of oil price increases, the value of British exports failed even to keep up with inflation. In 1972 Libya's imports were worth £430m. In 1974 this figure had jumped to £850m. Over this period Britain's contribution crept from £46m to £62m. Meanwhile, Germany was increasing her exports by 284 per cent, France by 215 per cent, Italy by 184 per cent and Japan by 111 per cent. From being Libya's second largest trading partner a few years ago we are now fourth or fifth.

There are of course some obvious reasons for this decline. There is the embargo on a number of British consumer items, mainly foodstuffs, textiles and clothing. This is estimated to have cost around £10m last year.

Then there is the fact that, in the past, limits on ECGD cover have discouraged some British contractors from becoming involved in major projects. In fact Libya is full of British consultants but not a single British contractor in sight. Perhaps this will change now that ECGD has relaxed some of its conditions of cover for Libya.

Even allowing for these factors I was left with the clear impression that a lot of business was going begging simply because the unfavourable publicity sometimes given to Libya in Britain is distorting the true picture and is keeping many businessmen away.

Firms have been known to ask whether their representative would be allowed into Libya and whether he would be let out again afterwards.

Those companies that have taken the plunge and tackled this market have invariably been pleasantly surprised at the comparative normality of life and trade, at the helpfulness encountered and, from the business point of view, at the prodigious rate of spending of the Libyans in both public and private sectors.

Overseas delegations and groups of businessmen arrive almost daily. The only group visit from Britain during the past year was last November's Birmingham Chamber of Commerce mission. Their conclusion was that the visit was well worthwhile, revealing considerable opportunities to sell Libya a wide range of goods and services.

Britain's influence

Britain's influence still runs deep. Most Libyans speak English. We still have a reputation for quality. Many Libyans are British trained. When they want medical treatment their first choice is Britain. Each month the British Embassy in Tripoli issues hundreds of visas for Britain, some for medical treatment or study, but many for businessmen.

Those companies that steer clear of Libya on the basis of second-hand information could well be out of touch with reality.

A number of people I spoke to felt that the climate was changing. For contractors, things have changed since the early days when a number of companies, British ones among them, got their fingers burnt. Libya has grown more accustomed to living with large projects and contractors; has learned how to frame calls for tender and to be wary of low bids; and is adopting more realistic attitudes where contracts

are concerned. There seems to be no evidence of difficulties over payments or repatriation of profits on contracts placed since the revolution.

This is not to say that there are no longer problems for British contractors. Not just problems of a bureaucratic nature, since these apply to everyone anyway. And as one British consultant told me, once you get used to the system things go along quite smoothly.

Shortage of labour

The biggest single problem for a contractor is that of labour. There just isn't enough to go round in Libya so a contractor has to arrange to bring in his own. This has favoured countries like Egypt. Tunisia, Turkey or the East Europeans who are best able to bring their own nationals in, although the Germans and Italians seem to have coped well, partly by recruiting from other Middle East countries.

Another factor is that existing contractors have got themselves well established and are obviously intent on scooping the enormous pool of jobs which will be coming up in the future.

On the other hand new names are appearing, both from countries already established in Libya and elsewhere. Recently an Indian concern entered the market. Moreover the Libyan authorities, perhaps disturbed that they may not be getting bids from all the best companies, have remarked that firms from certain countries never seem to tender. In the past few months the number of calls for tender they have advertised in the British press has increased noticeably. It could well pay British contractors to take another look at Libya, and see whether they can compete.

Keep watching

It could certainly pay to keep a continuing watch on what is happening in the market. Libya appears keen to see British contractors tendering alongside others. Those Libyans I spoke to were convinced that there was still a fund of goodwill towards Britain, and given the right conditions Britain would go a long way to regaining her former position in what was once our biggest Arab market.

What is certain is that we are nowhere near making the most of our advantage in Libya even in the present conditions. For example, we are certainly not making the most of Libya's predilection for British consultants who have been profitably working there for a good many years. One British consultant said that British firms, especially in the building materials and equipment sectors, have had it made for the past 10 years but have let countless opportunities slip.

A lot of British firms are well established and are regularly supplying the numerous construction projects going on all the time in Libya. But there could be a lot more. Misdeeds by British firms include such things as inadequate quality control; wrong sizes dispatched; big orders lost through unwillingness to send out engineers when needed; poor packaging resulting in breakages; firms that produced obvious seconds when asked to send samples which could have led to a large contract and so on.

Over the next couple of years supply contracts worth hundreds of millions of pounds will be awarded in connection with the redevelopment of ports and airports, road building, hospitals, housing, universities and schools. A lot of these will be projects with a British consultant. The orders lost by British suppliers quickly go elsewhere of course.

It is a similar story in other sectors. I spoke to the British manager of a Libyan importing company which deals mainly in vehicles, transport equipment, agricultural machinery and spare parts, and has the agency for a number of British firms. In the past 15 years he has witnessed the decline of Britain's economic presence – a decline which to his mind had little to do with politics, rather the performance and enthusiasm of Britain's exporters. 'Britain has thrown this market away', he told me.

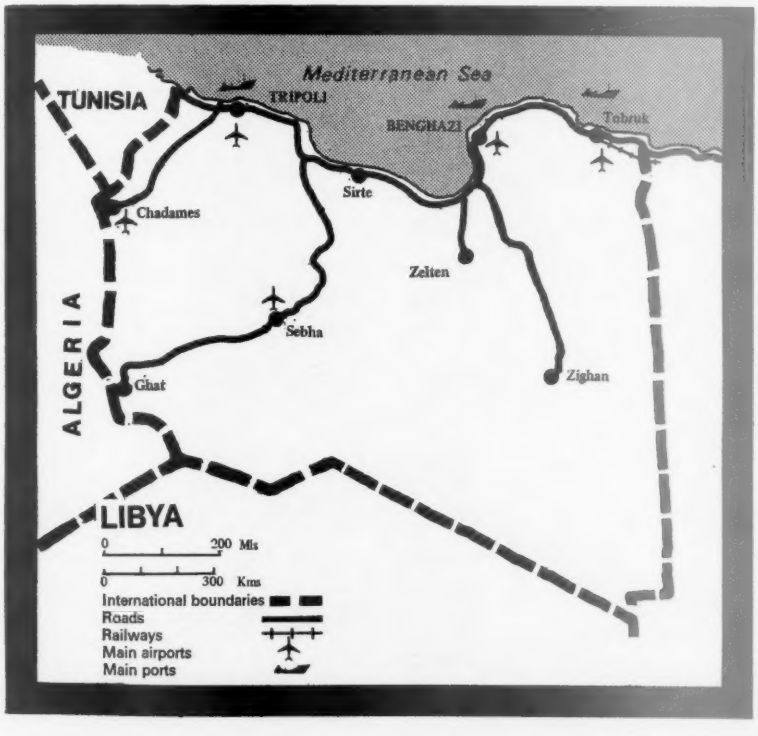
Although the company deals almost exclusively with British firms only about one in 10 of the visits he receives are from British businessmen. The rest are foreign companies hoping to be taken on. How long the company will be able to resist 'going foreign' who knows?

Again I sat through tales of woe and numerous complaints. Everyone's prices are going up but apparently the only firms unable to quote a fixed price for even a few months ahead are the British. The stories of broken delivery promises and cavalier treatment would themselves fill an article. Back up service seems to present difficulties to many British firms, while the habit of regularly visiting a client is alien to a lot of them.

LIBYA

Population	2.24m
Gross domestic product (1972)	$4.8b
Income per head (1972)	$725
UK exports	
1974	£62.5m
Jan.-April 1974	£16.9m
Jan.-April 1975	£30.4m
UK imports	
1974	£390.1m
Jan.-April 1974	£145.4m
Jan.-April 1975	£55.2m
Development expenditure	
1973-75	$5.9b

Currency
£1 = 0.67 Libyan Dinar
$1 = 0.29 Libyan Dinar
(as at 23 June with £1 = $2.27)



LIBYA
Don't believe all you read

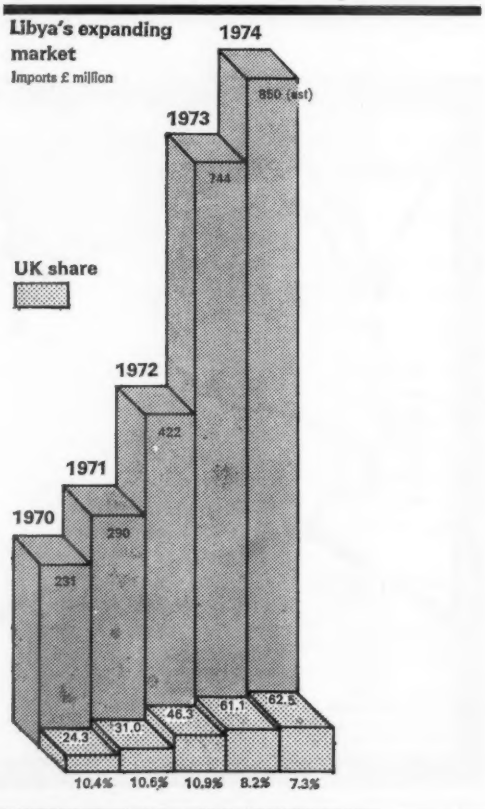
Those British firms that are good are generally very, very good and have been carrying our reputation along for a long time. Most of the criticism of British firms came in fact from British people in Libya who have become frustrated at seeing opportunities being squandered. The Libyans on the whole still retain confidence in our products. One Libyan importer said he much preferred British quality. A recent tour of dealers in Tripoli revealed that the majority would still rather buy British goods if only they could get them.

The general consensus is that the decline can be reversed if things improve soon. But not if there are too many exporters like the one who was approached to supply goods and was offered an irrevocable, confirmed letter of credit and whose response was 'Sorry, too difficult a market, old boy'.

Those sectors where Britain has been traditionally strong in Libya still hold out the best opportunities – building materials; construction machinery; agricultural machinery and materials; electrical engineering equipment for power generation, transmission and distribution; communications equipment; specialised vehicles; transport equipment and spare parts; medical equipment, surgical instruments and pharmaceuticals.

Importing into Libya is done by a number of sectors – by Government contracting organisations; by the state trading companies; by the military authorities (who are not just after arms – recent sales by British firms to the armed forces include £6m worth of uniforms, £1m worth of cloth, and £250,000 worth of shoes); by civil contractors; and by the private sector, which imports on its own behalf and also tenders to the Government and the state companies.

It is worth mentioning that even goods included in the embargo may be sold in the case of a contract where the Libyan Government is involved.



Development plan

This year Libya's development plan calls for over $3,500m to be spent – or nearly $1,700 for each Libyan man, woman and child. Even allowing for some shortfall and a lower than expected oil income this is spending on a massive scale.

One of the major aims of the plan is to make Libya self-sufficient in food and much of the expenditure on agriculture will be devoted to land reclamation and irrigation schemes. A large number of projects are under way, the largest being the Jebel Akhdar, the Kufra and Sarir and the Jefara Plain projects which will entail spending of some $330m this year.

Emphasis is also being placed on more efficient use of ground water and on storage of seasonally available water supplies. Livestock production will expand with a number of cattle and sheep stations and chicken farms planned.

Britain has long been a supplier of agricultural machinery and equipment to Libya. Our share has fallen recently but British products and personnel are held in high regard and with the right approach and a willingness to help the local authorities with training and assistance there is scope for capturing a bigger share of this market.

A large number of Libya's industrial projects are linked with agriculture, involving the manufacture of agricultural equipment and the processing of produce and livestock. These include dairies, flour mills, a variety of canning plants, a tannery, a wool spinning factory and so on. Food, together with building materials, account for most of the manufacturing projects planned.

The biggest industrial projects are of course those connected with petroleum, such as refining and the liquefaction of natural gas. This sector is being expanded. There are plans for a petrochemical industry based on natural gas and for a steel works.

Electricity generation is an area of high activity with plans for a number of power stations and desalination plants.

Then of course there is the construction sector where about a dozen British consultancy partnerships are supervising the modernisation and construction of ports and airports, universities, power stations, sewerage schemes, roads, industrialised houses by the thousand. Studies are presently being made for a railway system at some future date.

Although there are no British contractors around there is plenty of scope for British firms to provide equipment on a supply and install basis, as well as a wide range of materials. Particular attention could be paid to Egyptian and other contractors who are unable to bring

in all machinery and equipment from their own countries.

Selling in Libya is far from easy even though the rewards usually make it well worthwhile. Anyone who is easily put off should not venture here or indeed in any other Arab market.

You have to make an effort even to get to Libya by applying for a visa in Arabic. Then there are frustrations like those mentioned in the opening paragraph. Delays in the port – anything up to two months in Tripoli – have to be allowed for as does the premium charged for shipping goods to Libya. It pays to study carefully the alternatives, like Ro-Ro from France and Italy, or air freight. On one occasion a firm found it cheaper to air freight steel tubes.

Recent irritants which make life less than easy for the foreign businessman include a decision which prevents the bringing of trade samples into the country. These must therefore either be consigned to an agent or not brought.

All firms wishing to do business in Libya are advised to have an agent. Not only will he be able to keep firms in touch with developments there, but he can also assist over hotel bookings and can be extremely useful to visiting company representatives trying to find their way in towns where names of streets and buildings are only in Arabic. Use of an agent's car on visits will also mean a big saving on ludicrously high taxi fares.

To ease congestion at Tripoli Harbour, goods may only be stored there for 15 days. It is therefore essential that documents relating to goods arrive at the Libyan bank ahead of consignment.

But in all these respects, exporters from every other country are in the same boat. As most business is conducted in English, British firms have in fact an advantage worth making the most of.

'Tell it like it is', said one British businessman, in Tripoli for a couple of days to negotiate a deal with one of the state trading companies. 'Tell them what the business climate is really like and get more firms to take a look for themselves. They might do themselves a favour.' They might indeed. Each week that goes by, British firms could be winning an enormous amount of business.

Libya's development budget for 1975

	Libyan Dinars
Agriculture and agrarian reform	100,146,000
Integrated agricultural development	131,000,000
Industry and mineral wealth	138,680,000
Oil	83,780,000
Electricity	114,320,000
Transport and communications	72,407,000
Education	109,975,000
Public health	25,247,500
Labour	8,707,700
Social affairs and social security	6,901,000
Housing and utilities	130,000,000
Economy and tourism	3,420,000
Information and culture	8,110,000
Municipalities	95,880,000
Planning and scientific research	8,515,800
Administrative development	377,000
Project reserves	5,293,000
Nutrition and marine wealth	3,870,000
Marine transport	63,370,000
TOTAL	1,110,000,000

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ABLE...all that the name implies

NIGERIA
If you've got it, you can sell it

Frank Martin

Improved roads and railways, new port facilities, shipping and air lines, airports, a steel industry, refineries, motor manufacturing, a petrochemicals industry, new schools, hospitals, housing, new towns – all these things and more Nigeria wants now and is buying for hard cash.

And it's not just the big prestige contracts that are on offer in Nigeria. Demand for machinery and equipment of all kinds and for a wide range of consumer products is greater than ever before.

Even before the increase in oil revenues Nigeria was fast becoming one of the world's major export markets. Now it's a market bursting at the seams – an unprecedented opportunity for those with the skill, patience and delivery performance to give it what it wants.

So Nigeria is a market and a country on the path of growth. The Nigerian Third National Development Plan, covering the period 1975 to 1980, involves public sector investment of between $53\frac{1}{2}$ and $32\frac{1}{2}$ billion – the former being the 'nominal' figure in the Plan, the latter the expected effective out turn. Gross domestic product is planned to grow at a real rate of nearly 10 per cent a year – almost double the rate since independence and impressive by any standards. In fact, growth in some sectors – like industry and transport – will be at a much higher rate.

Income per head for Nigeria's 80 million people will grow by 7 per cent a year and double in about a decade. And imports – $2,125m from OECD countries alone in 1974 – are expected to more than triple by 1980.

Best prospect

So as Mr. Alfred Spencer, Chairman and Managing Director of Ralph Martindale and a member of the Tropical Africa Advisory Group puts it: 'Nigeria is one of the best prospects for British exporters. In the period of the next five years it offers a wonderful opportunity for the right kind of goods and services.'

And no one is likely to argue. Certainly not the members of a Glasgow Chamber of Commerce mission which visited Nigeria last May. Here are a few of their comments: 'The level of business is way beyond what I expected – if you have got it, you can sell it'; 'Business is very easily had. Our products are very acceptable, our prices 25 per cent below the Germans'; 'We expect our business to have trebled before the end of the year'; 'Perhaps you could tell those chaps who are whistling off to the Gulf that there is a great deal of business waiting to be picked up here.'

Oil wealth

The starting point for Nigeria's take-off is, of course, oil. Nigeria's earnings from oil totalled an estimated $7\frac{1}{2}$ billion in 1974, three times the figure in the previous year. And this oil wealth isn't likely to run out tomorrow. Proved recoverable reserves are of the order of 20 billion barrels – at the present rate of production, this will last for 25 years or so. Huge investment is going into the search for new reserves. On top of that, Nigeria has 40,000,000m cubic feet of proven gas reserves – much the same as current estimates for the UK sector of the North Sea!

Moreover, Nigeria is potentially rich in other mineral resources, including coal, tin, colombite, gold and silver, zinc, clay, asbestos and iron ore. Not to mention the great potential of the country's agricultural resources. All this provides a very substantial basis for Nigeria's economic development. Nigeria recognises that oil wealth is at best a key to future economic prosperity. A large and rapidly growing population – Nigeria is the most populous country in Black Africa – means that the increased incomes and higher standards of living that are the fundamental goal of the Nigerian Government can only be achieved through broad-based economic development.

Development plans

And this development is well in hand. The Nigerians plan to spend up to $53\frac{1}{2}$ billion over the next five years on a massive programme of economic and social development. Incidentally, some measure of the change in Nigeria's situation since the oil price increases can be seen in the fact that the earlier Guidelines for the Third National Development Plan envisaged expenditure of about $18 billion. Even the

figure of $32\frac{1}{2}$ billion projected for effective public sector expenditure is 10 times that spent under the Second Plan.

So, as might be expected, the Third Plan is massive and impressively comprehensive, with dozens of multi-million dollar projects in agriculture (where the nominal public sector investment programme totals $3.6 billion), industrial development ($8.6 billion), power generation and transmission ($1.7 billion), transport ($11.9 billion), communications and broadcasting ($2.8 billion), education ($4 billion), health ($1.2 billion), and housing and regional development ($6.7 billion).

In addition, private sector investment of about $21 billion is projected, including $4.9 billion in manufacturing industry, $6 billion in construction and $2.2 billion in agriculture.

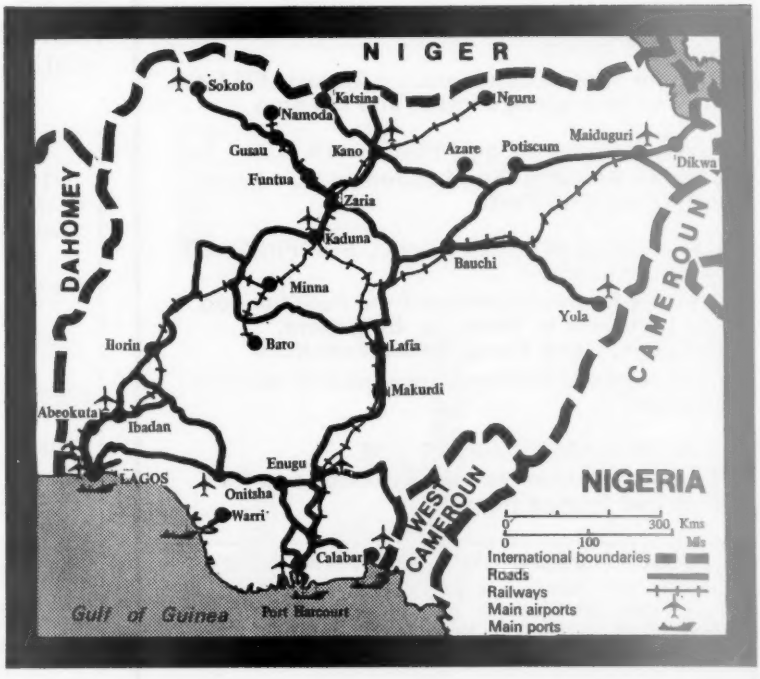
The sheer scope of the Plan and the vast number of projects makes it difficult to appreciate at second hand. How does it look to a relative insider? George Finlayson, Commercial Officer in the British High Commission in Lagos, described it as 'wholesale, but entirely coherent. Leaving aside the social element – which is designed to bring really great advances in living standards for the Nigerian people – economically the Plan is a blueprint for self-sustaining and balanced growth.

'You've got the emphasis on agriculture, where, remember, most Nigerians get their livelihood now. So they want to increase agricultural output and productivity. Not only to raise agricultural incomes (though this is a major priority) and to feed a growing population, but to provide products and materials for export and for a wide range of domestic processing industries. So the plan is to increase the amount of land in cultivation and, more important, improve agricultural inputs (like fertilisers, tractors and trained personnel) and infrastructure – anything from irrigation systems to storage facilities. And you've got related developments, like increasing fertiliser capacity and the expansion of the rural road system, rural electrification and so on.

'On the industrial side it is essentially the same story – building on Nigeria's indigenous resources and developing a large domestic capacity in basic industries like petroleum, petrochemicals and steel. Partly for exports (and Nigeria aims to become a major industrial exporter in the future), but also to support the development of secondary industrial sectors – motor manufacture, chemicals and engineering being the focal points – which can use these materials, provide employment for a growing urban population and add to the range of Nigeria's export capacity.'

And as George Finlayson points out, to do any of these things the Nigerians need more power generating capacity and much better internal communications. Of course, they have got to have better port facilities for the imports they need to fulfil the Plan, and also for exports in the future. And they need the supporting social infrastructure in terms of facilities to educate and train the vast number of skilled people needed in an expanding economy.

'So if the Nigerians are going about their development in a wholesale way, it's also a very



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logical, coherent way. And they are building on the considerable achievements of the previous Plans, and on the experience – particularly of the problems – gained in implementing them.'

Import dependent

A look at just one sector of the Nigerian Plan shows how extensive the programmes are in key areas.

On the industrial side, public sector investment alone covers the development of a 1½m tonne blast furnace complex at Ajaokuta, and two 500,000 tonne direct reduction steel plants, probably using natural gas; a $490m petrochemicals complex; expansion of the oil refinery at Port Harcourt, with new refineries at Warri and Kaduna plus two new 300,000bpd export refineries; two liquefied natural gas plants to the tune of $2,000m; a fertiliser plant; three new cement plants, with expansion of existing capacity; together with two new papermills, again with the expansion of the existing plant at Jebba. Alongside this there will be public and private sector development of chemicals, motor manufacturing and the whole range of engineering industries.

But if the Nigerian Plan is for a more self-sufficient economy, its fulfilment is totally dependent on imports. Nigeria's imports over the five-year period are expected to more than triple overall, though the increase in some sectors will be much greater. This – and the size of Nigeria's population – is what makes Nigeria pre-eminently among OPEC countries a 'high-absorber'. In other words, one of the best markets.

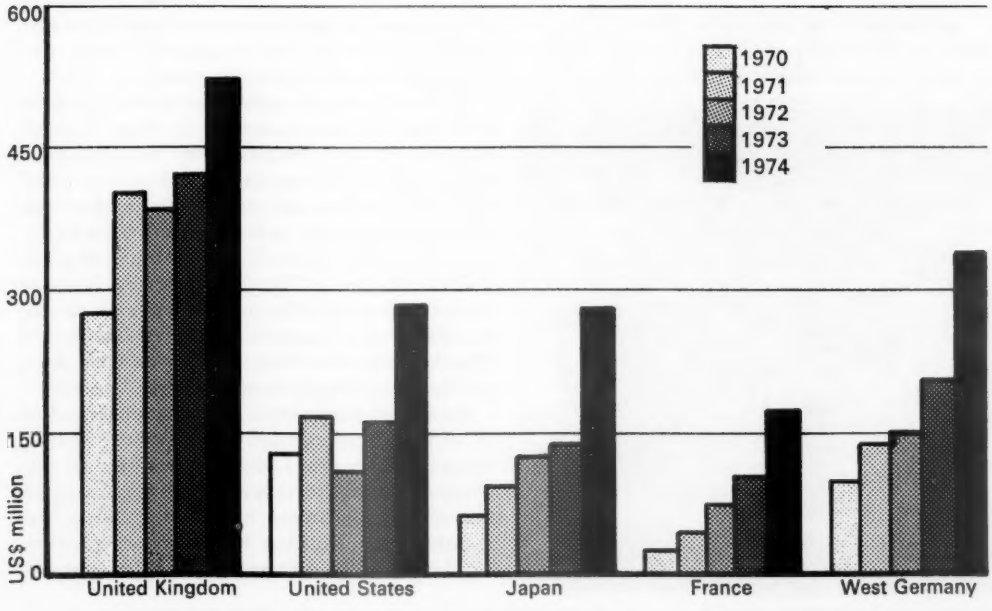
A market for construction work (some experts feel that as much as 60 per cent of total public sector investment will be in building and construction); for design, engineering and consultancy services of all kinds; for building materials; agricultural machinery; construction equipment; mechanical handling equipment; power generation plant; transmission equipment; mining equipment; process plant; commercial vehicles and buses; automotive components; industrial, marine and automotive engines; machine tools; medical equipment; industrial instruments; textile machinery; telecommunications and broadcasting equipment; processed food; clothing; footwear; domestic electrical appliances and so on. In fact, with the growing prosperity in Nigeria, imports of consumer goods are likely to rise rapidly from now on. A list of this sort may not be an attractive form of presentation, but it does give some indication of the immense potential of the Nigerian market.

And the opportunities do cover a very wide spectrum. Chief Eke, a prominent Nigerian businessman and former Federal Commissioner for education, pointed out that expenditure on education will be about $4 billion. 'A scheme for universal primary education is to be inaugurated. The level of secondary education is to be raised and the existing tertiary educational institutions are to be expanded and their number substantially increased. If all this is to materialise, a great deal of building materials will have to be imported. So too will the educational aids, books, stationery and other supplies which are necessary in the various institutions.'

Chief Eke recently visited the UK ('Nigeria's best trading partner') to look over prospective suppliers. 'I returned to Nigeria deeply impressed by what I saw and what I heard.'

NIGERIA
If you've got it, you can sell it

Main OECD countries' exports to Nigeria



NIGERIA
If you've got it, you can sell it

In a hurry

That's the sort of impression British exporters can build on. But in education, as in other areas, Nigeria is in a hurry. Not so much in a hurry that purchasers are unconcerned about the price and quality of the goods and services they want to buy. But prompt delivery is a major concern. This is not a market to attack if you can't deliver.

When it comes to exporting to Nigeria, Britain has a head start. For, compared with many of the other OPEC countries, Nigeria should be a 'home from home' for British businessmen. After all, English is a shared language, and the relationship between the two countries is of long standing and permeates many aspects of life and work. Banking, financial relationships and so on are close. Many professional and administrative people have been educated and trained in Britain. So have many business people, so they share a common background in terms of business methods and practices.

And last year Britain provided a quarter of Nigeria's total imports. Though they have been catching up, this is still a much bigger proportion than any of our competitors. So British goods and services are well-known and highly regarded. All this benefits British companies approaching the market for the first time.

Investment: new scope

And we have got a head start in another respect – investment. The latest figures available indicate that at the end of 1973 some 80 per cent of total UK investment (excluding oil, banking and insurance) in the oil exporting countries was in Nigeria – a book value of £207m out of a total of £258m. The end result again is that many major British firms are household names in Nigeria.

Not that there isn't a great deal of scope for new investment. To take one quote from the Plan documents: 'In order to harness the tremendous potentials of the manufacturing sector . . . government has decided to further open the door to both indigenous and foreign private investors in most sectors of manufacturing.'

Essex Yacht Builders Co. of Wallasea Island, Essex, have received a £64,000 order for these four motor cruisers from the Nigerian River State Transport Corporation. The 28 ft. craft are designed to provide spacious accommodation in a manoeuvrable hull and include a flying bridge to give excellent all-round vision.

The Nigerians want overseas investment above all because partnership arrangements will give access to the know-how, management skills and training help which they need for economic development. There is not normally a requirement for a large equity contribution in public sector projects, though, as elsewhere, some equity participation may be sought as an earnest of continuing commitment to the success of the project. With the vast range of industrial development planned, there is ample and profitable scope for joint ventures, both in the public and private sectors. Again, if they can find them, the Nigerians like British partners.

All in all, Nigeria's ambitious development plans open up possibilities for a new chapter in Anglo-Nigerian economic relations – a point emphasised by Chief Henry Fajemirokun, President of the Nigerian Association of Chambers of Commerce, who led the Association's mission to Britain in June. 'Britain should seize the opportunity presented through the Third National Development Plan to expand her trade with Nigeria, as the Plan is the most ambitious ever embarked upon in Nigeria or even Black Africa. Nigeria's ability to pay for her needs will strengthen Anglo-Nigerian trade.

One key element in the desire for partnership arrangements is training. The Nigerians recognise that the main constraint on the fulfilment of practically every sector of the Plan is the shortage of trained personnel. One response is the planned relaxation of expatriate quotas. But also, as John Friend of the British High Commission in Lagos points out, 'Nigerian purchasers in both public and private sectors attach considerable importance to the provision of facilities for training Nigerian staff, both overseas and in Nigeria.'

So a willingness to provide help with training can be a crucial factor in winning contracts in a wide range of areas. Overall, Nigeria is a market for the flexible approach – the willingness to provide just that bit more in terms of training, other back-up facilities and after-sales service will be crucial to competitiveness. And it is now a very competitive market.

If every contact with this market confirms that the Nigerians want to do more business with us – if only because they see Britain as their 'easiest' trading partner – it is also a fact that they won't wait around to do business. They don't need to, and they can't afford to.

As Chief Eke put it: 'There is abundant goodwill for Britain in Nigeria. However, there are keen competitors from other countries already knocking at Nigeria's door. Although old friends are the best, Nigerians are no fools. They will buy from suppliers who offer the best terms.'

And the competitors are knocking at Nigeria's door in a big way. Nigeria's imports from countries like the United States, Japan and West Germany have been growing at a much faster pace than those from Britain, and these countries are working hard to increase their market share. Len Coles in the High Commis-

sion warned: 'Our overseas competitors are making special efforts in this market. By adopting aggressive and imaginative sales techniques, they are threatening the position even of long established British exporters to Nigeria. We can't afford to take the market for granted.'

The fact is that businessmen from these countries are not letting themselves be put off by problems – perhaps over publicised – in dealing with the Nigerian market. Neither are the many British firms trading successfully with Nigeria. After all, you don't get port congestion in a depressed market!

Last year our exports went from strength to strength, and by the last quarter of the year were running at an annual rate of £300m. The signs are that the increase this year will be very substantial indeed. Exports in the first four months of 1975 totalled £131m, an increase of more than 120 per cent over the same period of last year. So it is quite possible that UK exports this year will top £400m.

Many British firms are currently negotiating or obtaining very large contracts in Nigeria, while the evidence is that more and more firms – of all types and sizes – are showing a keen interest in the market. George Burgess, the First Secretary Commercial in the High Commission, described the recent increase in the number of British business visitors as 'really encouraging. From a total of 630 for the whole of 1974, the number of business visitors using the High Commission's facilities increased to 400 in the first quarter of 1975 alone.'

Come and join us

What is needed is more firms to join them. Not at a rush, because it is a market that needs careful preparation and sustained attention. Certainly the latter. Nigerians recognise the new importance of their country. They are rightly proud of the imaginative and dynamic way they are going about their country's development. Not surprisingly, they want to do business with people who they feel share this recognition and these qualities. And the best way of showing this interest in the market is to spend time in it. 'You've got to be prepared to spend time in Nigeria', one experienced businessman emphasised. 'Not just on preliminary visits (two weeks at best) to Lagos and the State capitals where a lot of the new business is. But you've got to spend time – a lot of time – in following up contacts. Nothing creates a worse impression than the failure to follow up initial contacts when they are promising. Though in Nigeria you can't follow them up effectively from behind a desk or by dictating letters – contacts have got to be followed up personally, and persistently.'

Personal contact is obviously essential in choosing an agent or representative (which is generally advisable in Nigeria) or a partner for a joint venture. But sustained personal contact will also pay off in terms of building up the intimate knowledge of market conditions and business practices that leads to expanding business. And it will give you the chance of the word-of-mouth information that can put you one step ahead.

Though it is not just a matter of building contacts in the commercial world. Getting to know the decision makers in Government is just as important.

The Federal Government, State Governments, public authorities and corporations are all involved in Nigeria's development. So anyone wanting to do business in Nigeria – particularly for the large contracts – has got to learn to find his way around the Government machine and develop and sustain contact with the people in it. Incidentally, it follows from the fact that many of the decisions about contracts are in the hands of senior Government personnel that the more status and authority a firm's representatives have the better. Once they have made their decisions, the Nigerians want to do business quickly. So they want to do it with people who can sign on the dotted line, without extended communication back to the UK.

Thoroughness

This is just one of the areas in which thorough preparation is essential. There is a vast amount of knowledge and experience of the Nigerian market and of developments there available in the UK, and it pays to plug into it. Not only in terms of spotting opportunities for business. Up-to-date information on anything from import licensing to conditions at Nigeria's ports and air ports could mean avoiding potentially costly mistakes. Apart from official sources (both British and Nigerian), banks, Chambers of Commerce, fellow businessmen – all can help in this essential process of preparation. And if the same thoroughness is applied to every aspect of the selling process – representation, tendering, documentation, transport, after-sales support – then, as the man from the Glasgow Chamber of Commerce said: 'If you've got it, you can sell it'.

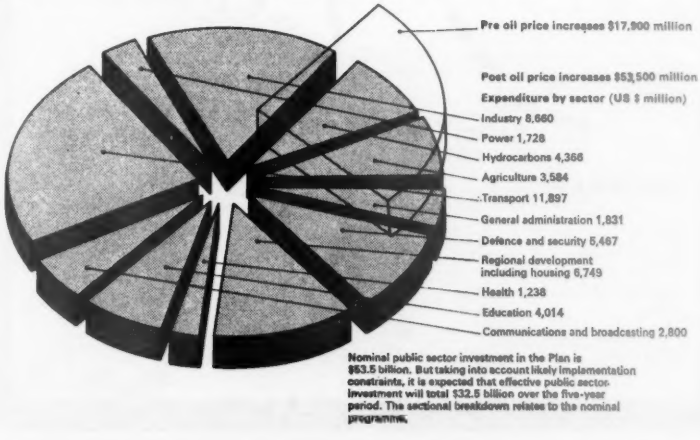
Doing it won't be an easy process. Expansion at the pace envisaged by Nigeria is bound to mean massive pressures on human and material resources, many hold-ups and frustrations.

So business will have to be won. But it is very much there for the winning.

NIGERIA

Population	80m
Gross domestic product (1974/75)	$23.4b
Income per head (1974/75)	$334
UK exports	
1974	£222.4m
Jan.-April 1974	£59.4m
Jan.-April 1975	£131.3m
UK imports	
1974	£368.3m
Jan.-April 1974	£137.3m
Jan.-April 1975	£98.9m
Development expenditure	
1975-80	$32.5b
1970-74	$3b
Projected GDP (1979/80)	$36.9b
Projected income per head (1979/80)	$605
Projected imports (1979/80)	$11.5b
Currency	
£1 = 1.42 Naira	
$1 = 0.63 Naira	
(as at 23 June with £1 = $2.27	

Nigeria's Third Development Plan



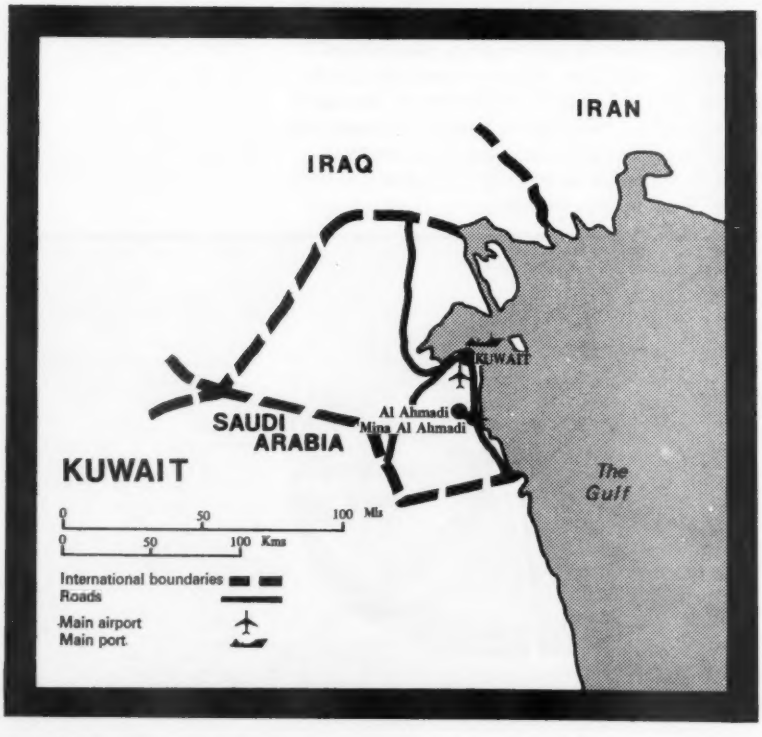
Nominal public sector investment in the Plan is $53.5 billion. But taking into account likely implementation constraints, it is expected that effective public sector investment will total $32.5 billion over the five-year period. The sectional breakdown relates to the nominal programme.

KUWAIT
Contracted out

Alan Williams

Any lingering first impressions that Kuwait is comfortingly British – a sun-drenched city approaching the size of Birmingham, set in a country of unremitting sand the size of Yorkshire – are very quickly dispelled when one realises that, beneath the veneer of English language signs and British post boxes, lie Japanese, American and German goods. For, consumer goods apart, Kuwait is pretty much a disaster area for British exports.

Ever since the 'special relationship' between Kuwait and the UK came to an end in 1961, Britain has been losing ground to the Japanese, Americans and Germans on the export front. And now, although relations with Kuwait are good, the UK does not have the same favoured position it enjoys in the lower Gulf states, which have less well-developed societies. In 1973 the UK was third in the list of leading suppliers after Japan and the United States, but during 1974 Germany pushed the UK into fourth place. Nevertheless, UK exports to Kuwait expanded by 65.7 per cent to £59.8m during 1974, although because of oil there is still a hopeless imbalance of trade. The British Ambassador, Archie Lamb, says that during the 60s the British 'simply stood back politely and let the others rush in'. Abdul Wahab al Nafisi, Kuwait's Minister of Commerce and Industry, puts it rather more bluntly 'the British', he says, 'are inventors, not salesmen'. And Kuwait is very much a salesman's country, for although Kuwaitis quite literally have more money than they can spend, they are probably the most commercially and financially astute of all the Arab nations.



Historically, Kuwait has always been a city of merchants. The British Ambassador likens it to a modern-day version of Genoa or Venice, and although there are obvious limitations to this analogy, one can quickly detect the self confidence and polite arrogance of a well-established merchant community in command of large quantities of essential commodities – in this case oil and money. Kuwaitis are quick to point out that the Gulf is now a market in its own right, quite separate from the traditional Mediterranean-orientated Middle East, and naturally they see Kuwait as the focal point for this development. Zouhair Najjar of the Kuwait Chamber of Commerce says sadly that the British have been slow to realise that the centre of activity has swung away from the Mediterranean. 'Even those firms that do have an office in the Middle East still tend to think they can service the entire area from Beirut, yet these days it is usually easier to telephone someone in London than to get through to the Lebanon.' Like almost everybody else I spoke to in Kuwait, Najjar is convinced that the British could make a dramatic return to the top of the export league, not only in Kuwait but in the Gulf generally, if only they tried a little harder. As everywhere, the British are criticised for their constant price increases, apparent complete inability to keep to delivery dates and for treating exporting as an extension of the home markets. 'Kuwaitis' says Najjar 'don't promote, they respond'. And whereas the Japanese and Germans have realised this and geared their sales and research accordingly, the average British exporter apparently still sends a letter with a few brochures. Moreover, according to Daulat Mirchandani, managing director of

leading importers Saeed and Daulat, when the salesmen do come they allow insufficient time, often calling as part of a whistle-stop tour of the entire Gulf. Daulat says that most of his visitors are poorly briefed: 'too few companies bother to do any market research and are often totally unaware of seasonal variations in demand or import restrictions'. Certainly, experience seems to support his contention; when Waddingtons decided to print the instructions for their 'Monopoly' game in Arabic as well as in English, sales shot up. And just recently, there was much comment locally in Kuwait about an advertisement in one of the local papers by a British-based company seeking to sell Jaguars to wealthy Kuwaitis. This was unfortunate, to say the least, since along with all other British Leyland cars the import of Jaguars is banned in Kuwait!

No contracts

But the saddest picture of all is in the construction field. Incredibly, there is not a single British contractor at work in Kuwait despite its being one of the fastest-expanding cities in the world with a projected expenditure of $1.3 billion over the next four years by the Ministry of Public Works alone. To be fair, there are historical reasons for this apparent lack of interest on the part of the British contractors; until recently, the Kuwait government insisted on fixed-price contracts, with no allowances for inflation or overrun. Faced with such problems most leading contractors migrated south to the lower Gulf states, where conditions are generally less onerous. Now, in an apparent attempt to woo back first-rate contractors – notably the British, whose ability and integrity the Kuwaitis respect – the Kuwait government has promised that no contractor will in future lose money through circumstances beyond their control and have established a fund of KD 30m out of which compensation can be paid. The Minister for Public Works, Hmoud al Nusf, was keen to assure me that the climate for contractors in Kuwait had changed. He wants British contractors back in Kuwait, and is confident that once one organisation is seen to be successful, others will follow. But old attitudes die hard and many of the major British contractors are becoming over-stretched and are reluctant to offer themselves as guinea pigs for the alleged Kuwaiti change of heart. Certainly the scope for contractors is wide – the 1975/76 budget alone allows $590m for construction and development. Principal schemes include a giant sports complex costing $145m, a new runway for the international airport, 30 new schools, five new hospitals providing 2,000 beds, and a huge yacht marina. Colin Buchanan and Partners have already completed the master plan for the development of Kuwait City and a number of more detailed studies are now being carried out within the master plan. There are plans also for a new international airport, and a five-year housing development scheme to build 30,000 houses as well as mosques and shopping precincts.

Like all leading Kuwaitis, the Minister of Public Works wants nothing to do with negotiated contracts, although he maintains that Kuwait's reputation of always going for the lowest bid is increasingly undeserved. He also stresses that once contractors are involved in Kuwait they are well placed to scoop up further construction contracts, such as that for the new naval base, the consultants for which are Brian Colquhoun and Partners.

Inevitably, with development going ahead at such a pace, expertise and know-how is all

KUWAIT

Population	930,000
Gross domestic product (1971/72)	$4.2b
Income per head (1972 est)	$4,872
UK exports	
1974	£59.8m
Jan.-April 1974	£13.3m
Jan.-April 1975	£25.8m
UK imports	
1974	£569.5m
Jan.-April 1974	£213.0m
Jan.-April 1975	£179.0m

Currency
£1 = 0.48 Kuwaiti Dinar
$1 = 0.285 Kuwaiti Dinar
(as at 23 June with £1 = $2.27)

Chartered to the Kharafi Industries Group of Kuwait by Luton-based McAlpine Aviation, this £450,000 HS 125 executive jet will earn more than £200,000 for Britain over a 12 month period. Kuwait Airways have agreed to provide an on-the-spot maintenance facility for HS 125s at Kuwait International Airport and it is hoped that this will encourage more use of these British-built business jets in the Gulf.

KUWAIT
Contracted out

important and several British consultants are already doing good business in Kuwait. The Glasgow-trained Minister of Electricity and Water, Abdullah al Ghanim, is keen to foster existing ties in the development of alternative energy sources. Already he is planning for a nuclear power station to be on line by 1986, but such is the tremendous growth of demand in Kuwait that he has to provide 1,500 MW of conventional capacity before then. Once again, however, the old worries surface; 'in Kuwait', he explains, 'we rely entirely on electricity for our air conditioning and desalinisation plant. Our show simply must go on, yet even if we get the equipment from Britain – most of it nowadays seems to be designed solely for CEGB use – we cannot rely on deliveries'. British management know-how is much sought after in Kuwait and the Ministry of Electricity and Water is considering sending some of its staff on management training courses at the Manchester School of Business.

Industrialisation

Kuwait has had a head start on the lower Gulf states in industrialisation, but is becoming increasingly disenchanted with the results. Its main industries are a 25,000 BPD refinery, a $225m fertiliser plant, a flour mill and a number of industries owned by the Kuwait National Industries Company, 49 per cent of which is privately owned. Most heavy industry is located in the industrial area of Shuaiba, to the south of Kuwait City, and also in the western part of the city around the port of Shewaikh. This concentration has produced a degree of pollution, and British consultants Cremer and Warner have been retained by the Kuwait Government to advise on pollution control in the Shuaiba industrial area.

Further major industrial projects seem unlikely in Kuwait, with the important exceptions of the oil and gas fields. A major project currently out to tender – for which Bechtel are the consultants – is for a gas utilisation plant worth about $550m. The project has been split into a number of packages and contracts are currently being made.

As Minister responsible for industry as well as commerce, al Nafisi is conscious that future development in Kuwait is likely to be hampered by labour shortages and the increasing concern over pollution in the Gulf. Already, the government has decided to cancel its ambitious project for a new steel mill specifically because of concern over labour and environmental problems. It seems likely that in the future there will be more co-operation between the Gulf States on industrial projects and in developing better inter-Gulf air services and facilities, thus paving the way for much-needed long and short haul charter services, as well as opening up the market for executive jet taxi services.

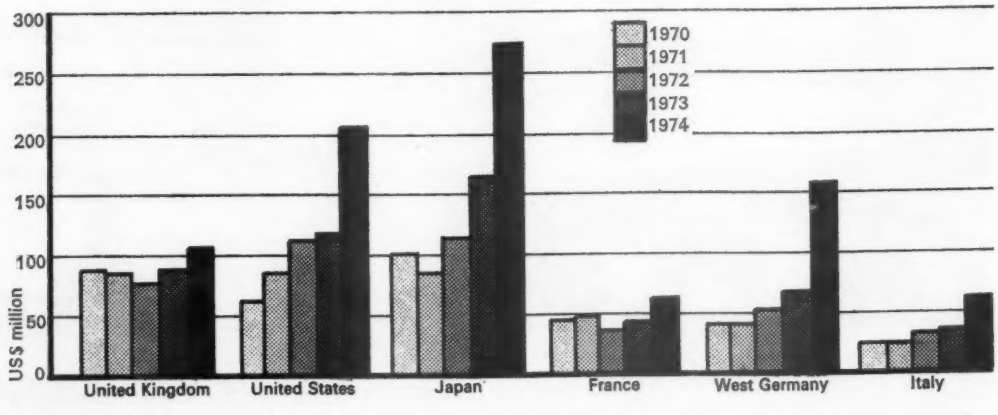
Al Nafisi thinks that the British would do rather better if they followed the German and Japanese example and involved themselves more in joint ventures – he rightly points out that there is no requirement for a capital contribution and says that Kuwait would be happy to finance projects which are linked with British managerial expertise and modern technology. Foreign investment must in any case take the form of a minority holding in a Kuwaiti controlled company. Some incentives are available including tariff protection, custom duty exemptions and generally low tax rates, and there are no restrictions on the remittance of profits or the return of capital. There are however restrictions on the ownership of real estate and the employment of expatriate labour.

Richest

In 1975, Kuwait, already one of the richest countries in the world, is expected to earn more than $7 billion in oil revenues, but has budgeted to spend only $3 billion, leaving a very large sum for overseas investment, overseas aid and further internal development. Kuwait is a small country, and there are therefore limitations on the amount of domestic development expenditure which can be undertaken in the short term. The City of London, with its expertise in international money management, can play an important role in offering facilities for investment of Kuwait's revenues.

Kuwait has also committed substantial sums for financial assistance to its Arab neighbours. The Kuwait Fund for Arab Economic

Main OECD countries' exports to Kuwait



Development, for example, has an authorised capital of $3.4 billion. Naturally it will take time for projects to be agreed and for the actual expenditure to be made. But there are good prospects for British firms to co-operate with the Kuwaitis in joint ventures in third countries, especially perhaps in the construction field.

What then is the future of this small but incredibly well endowed country? Clearly, for the next few years at least, Kuwait will continue to amass prodigious sums which can only be used for further overseas investment, overseas aid or internal development.

The British Ambassador is conducting a 'wide-ranging dialogue' with the Kuwait authorities on all matters of Anglo-Kuwaiti concern in the many diverse fields covered by the long-standing relationship between the two countries. This dialogue and the co-ordination of all the activities of his Embassy – and close co-operation with the British Council – in what he calls 'total initiative diplomacy' is beginning to reap some rewards. Britain's exports to Kuwait for the first quarter of 1975 were up to £19.6 million and he has hopes of reaching £100 million for the complete year – and this without involvement in the lucrative construction and motor vehicle markets. The Ambassador is convinced that Britain is poised for a commercial come-back in Kuwait. 'But,' he says, 'there is still a lot of work to be done to regain our former position. Our goods are still competitively priced and of acceptable quality – our failure to make a bigger impact is largely a result of the absence of our contractors and of our current inability to deliver capital goods on an acceptable time scale. As a result we are over-dependent on consumer goods. The promotion of Anglo-Kuwaiti trade is the concern of every member of my Embassy including and especially myself. The use which British exporters make of our facilities is gratifying and I do not accept the criticisms made of British businessmen – most of those who visit us can hold their own with anybody. They recognise that Anglo-Kuwaiti trade is an integral part of the totality of our close, friendly and ever developing relationship with Kuwait and involve the Embassy as their active partner in the promotion of British trade.'

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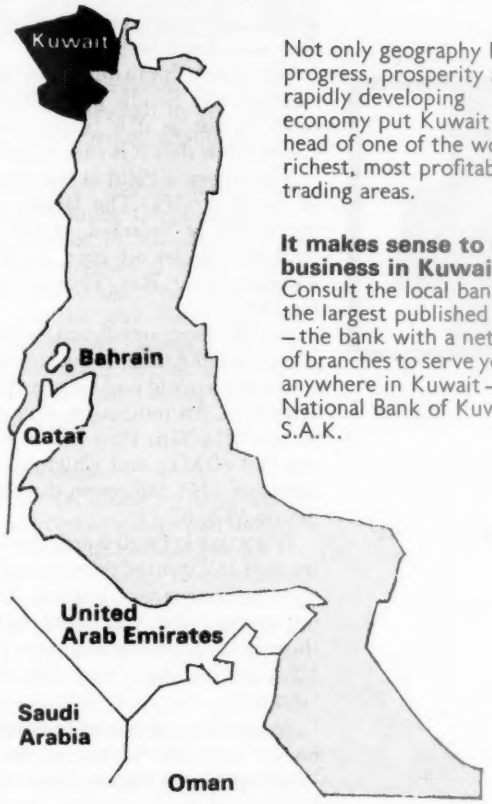
KUWAIT -at the head of the Gulf



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SAUDI ARABIA
A market for the patient man

Leslie Walford

Used too freely by sales promoters, the word 'new' has lost all meaning when applied to consumer products. But applied to a country like Saudi Arabia it can be justified.

The new Saudi Arabia is a land which is changing fast because it is trying hard to accomplish in a few years things which have taken other countries many generations. After being isolated for centuries both by geography and by a determination to safeguard a traditional Islamic way of life, the decision to turn Saudi Arabia into a modern state now appears to be irreversible.

The country is bent on diversifying away from its economic dependence on oil. But, were the Saudis' future prospects based on oil alone, they would still be bright.

With more than a quarter of the world's proven reserves, the Saudis are still finding oil three times as fast as it is being used up. And it is cheap oil in that it is easy to get at.

The largest oilfield in the world is at Ghawar in Saudi Arabia. The largest offshore field in the world, at Safaniya, is also Saudi Arabian. And the largest oil port, in terms of tonnage handled, is at Ras Tanura, also part of the kingdom.

But the most significant fact for British firms is that Saudi Arabia is the largest import market in the Arab world and among the fastest growing anywhere. An indication of its size is the Saudi second Five-Year Plan which was announced at the end of May and which involves an expenditure of $142 billion on development over the period 1976-80.

It is a market well worth the long term investment of an exporter's time and energy. Although the kingdom is our leading Arab market and our exports last year were more than double those of 1973, we are a very long way behind the USA and Japan and being overtaken by Germany.

So far this year our exports are up 58 per cent on last year. But because of the huge quantities of oil which we import from Saudi Arabia the balance of trade remains severely to our disadvantage – our imports are almost 10 times the value of our exports.

The most promising way in which we can aim to redress the balance is by playing a full part in the economic development of the country.

The achievements of Saudi Arabia's first Five-Year Plan (1970-74) were impressive but progress was less than had been projected. The fact is that the Saudis face some very real constraints on the pace of their development which only time can overcome.

A shortage of manpower at all levels is a major stumbling block. Although it is a country with untold wealth available, there is a critical lack of trained staff able to assess proposals and manage projects and also a work force able and willing to carry them out.

There is a dilemma here for Saudi Arabia. If the ambitious development programmes are to be realised, the manpower problem will have to be solved and the Plan therefore envisages recruitment of an extra half-million foreign workers. The trouble is that if the Government recruits overseas technicians and skilled and unskilled labour on this scale, there is a danger that the different customs and life styles of the foreign workers will disrupt the existing social pattern and its traditional values.

The new Five-Year Plan emphasises the importance of the educational programme. Under it, the number of school buildings will be increased from 3,335 to 5,300 and the number of students doubled, but the benefits will take time to show through.

Congested ports

There are other problems too. The ports of the Arabian peninsular are very congested. In Jeddah on any one day there are 30 or 40 ships waiting outside the port. But as development goes on at all the main ports, the situation is gradually easing. Overland trucking has also increased tremendously in the past year, in an effort to get round the port holdups. British, Dutch, German and other hauliers are making the long overland trip to keep the goods moving into Saudi Arabia.

Another constraint which is being overcome is communications. 'They are improving all the time,' the representative of one British construction firm told me. 'I can now put in a call to Britain in two hours, where, two years ago, I couldn't get a call through with any certainty within two weeks.'

The new Five-Year Plan aims at improving the situation further and by 1980 there should be 20 telephones for every 100 people. The telex system too will have been considerably extended.

Saudi Arabia is a vast land occupying about four-fifths of the Arabian peninsular, which itself has a total area of just over a million square miles. There are three main economic and trading regions: the Western region, centred on Jeddah; the Centre, where Riyadh, the capital is situated; and the Eastern province, where the oil companies predominate.

In Jeddah the scope for new industries needing water in any quantity will be limited over the next few years by the speed with which desalination schemes can be completed.

Saudi Arabia has undertaken a big pro-

gramme of desalination of sea water to meet the future needs of the population and the industrial development which is taking place and planned. There are already five desalination plants in operation – three on the Western (Red Sea) coastline and two on the Eastern coastline – and others are under construction.

Some $7 billion is earmarked in the new Five-Year Plan for desalination projects.

Two major sites

The Saudis see their industrial development under the Five-Year Plan centring on two major sites, Jubayl in the Eastern Province which will embrace iron and steel industries, petrochemicals oil refineries and an aluminium plant, and Yanbu on the Red Sea. At Yanbu an oil refinery, petrochemical complex and cement plant are to be built and the two centres will be linked both with each other and Riyadh by oil and gas pipelines.

As John Hill, the manager of the British Bank of the Middle East in Jeddah, told me, 'There are more ready opportunities at the moment for construction work than for anything else. And anything which is capital intensive is more likely to get off the ground than anything which requires a large labour force'.

Mr. Hill went on to say that there were tremendous opportunities in Saudi Arabia in the long term. 'The sooner people come out here and establish relationships,' he said, 'the better'.

The Saudis were a little slow to warm. They were, after all, being wooed on all sides and were, therefore, naturally a bit cautious. But, so long as you had a good article at a good price, what was needed was regular visits, said Mr. Hill.

Endless patience

I put to him the points that some of the British firms I had visited had made to me before I left London. I asked him about the endless patience one managing director said was required. And about onerous conditions of contracts, difficulties with documentation and so on.

'There are problems here,' he frankly admitted, 'but they are not so formidable as to prevent people doing good and profitable business if they are determined – it's a challenge to export consciousness'. Certainly the Government's liberal trade policies and its encouragement of foreign participation should act as inducements.

The point is echoed by Sayyid Mohammad Bakr of the Central Planning Organisation, the body which is responsible for co-ordinating the plans of the various ministries in Saudi Arabia and welding them in to the Five-Year Plan. 'There are problems,' he said, 'which we are trying hard to solve. But we cannot solve them overnight. There are many British firms here who are happy. It takes time, but once you are started you go,' he told me.

Long-term relationships

He stressed the need for firms to think about building up long-term relationships and thought it reasonable that, with the encouragement his government was giving to foreign firms to share in the country's growing wealth, there should be participation by those firms in the equity of new ventures to ensure their continuing interest.

I asked him whether he thought there was a significant role for British industry to play in carrying out Saudi Arabia's ambitious development plans.

'British firms,' he replied, 'are capable and in a unique position to play an impressive role.' He sounded a little disappointed as he went on to say, 'I am surprised that they have not already played a more active part than they have'.

Sheikh Hisham Nazar, Saudi Arabia's Minister of State for Planning and the man responsible for producing the Five-Year Plan, was also critical of Britain's efforts when he visited this country in June. 'Some of your firms are interested,' he said, 'but you are not aggressive enough.' Frequent visits to Saudi Arabia, efforts to find out about market conditions and a willingness to take risks in bidding for contracts were all needed, he said.

Another failing of British firms seeking orders, the Minister said, was their tendency to keep changing the terms and details of their bids, rather than putting in one clearly thought out proposal and sticking to it.

There are many well-known firms currently active in Saudi Arabia. To mention just a few, Hayden International have a £19 million con-

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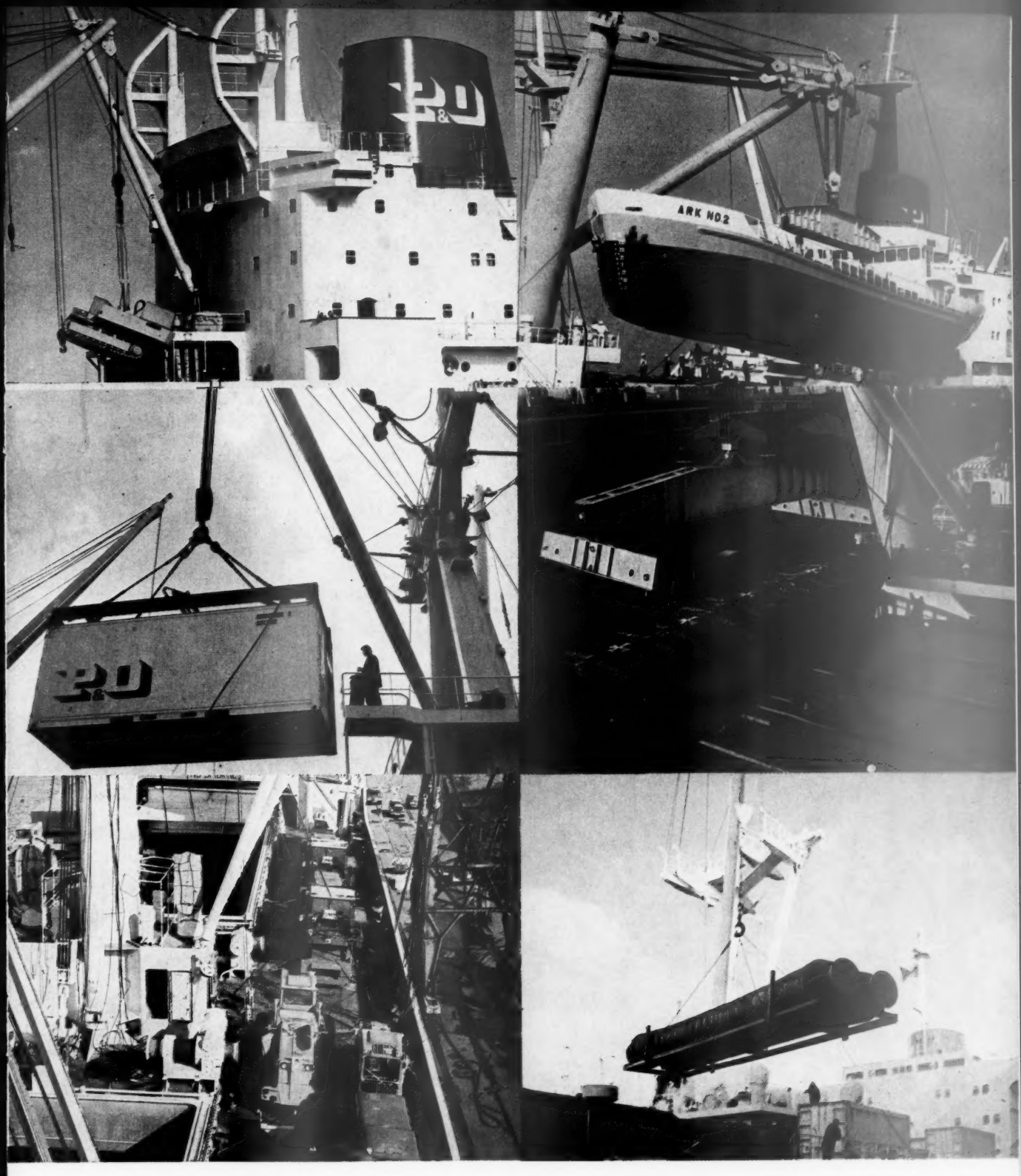

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SAUDI ARABIA
A market for the patient man

tract for the electrical work at the new Jeddah international airport which is being built 17 miles out of town. Sir William Halcrow and Partners are consultants for the Jeddah port extension and Sir Bruce White and Partners for the one at Damman; J. D. and D. M. Watson and John Taylor and Sons are also involved in a number of sewerage projects.

I talked with George Buckley, who represents Balfour Kilpatrick International in Saudi Arabia at his Jeddah office. He reeled off an impressive list of current projects where his firm is doing the electrical installation work – seven slaughterhouses throughout the kingdom, completion of the new airport at Khamis Mushaid, the port extension at Damman, and various works for ARAMCO, the American oil giant.

Different approaches were adopted for different situations, he told me, and ranged from partnership with a local agent to direct contract and to joint ventures.

Mr. Buckley said that his firm had been operating internationally for 30 years and he thought in Saudi Arabia that a lot depended on a company's international reputation. But one thing which was essential, he thought, was local representation. 'Saudi Arabian opinion of Britain is high and they like doing business with us,' Mr. Buckley told me.

I went in Riyadh to see the largest British construction group in Saudi Arabia – the Laing Wimpey Alireza consortium. There Jim Henry told me that the consortium was now well established, having come to Saudi Arabia about eight years ago on work to do with the Air Defence Support Programme. Laing Wimpey Alireza employ about 200 UK expatriates and 2,000 locally recruited artisans, managerial and administrative staff. Turnover for 1975 will be in excess of £45 million. The group is currently working on two airports – a new runway for Dhahran and a complete new airport at Abha. I asked Mr. Henry about tough conditions of contract and he agreed that 'contract conditions are fairly rigid, especially in this time of inflation when fixed price contracts, generally speaking, are not acceptable to contractors'. There were moves afoot, on the part of the Saudi government, to improve the situation, however.

Strict adherence to delivery dates is also of great importance and Mr. Henry found this a very real problem. Some of the troubles were difficulties on supply routes and unforeseen delays. There was the inevitable congestion at the ports, but also, at times of tension elsewhere in the Middle East, there were border closures and a subsequent disruption of supplies.

The Saudi government were doing their best to help contractors in different ways, said Mr. Henry. With the increasing number of very large contracts and growing competition for the available labour, wages were rising fast and there were shortages of some types of labour. This caused anxiety to firms with fixed price contracts.

The government had recently taken steps to alleviate this problem by introducing a system of block visas for artisans, instead of the previous long and complicated system of individual visas.

Attempts were also being made to regulate, 'either through subsidies or controls', the prices of materials, like cement, coming into the country.

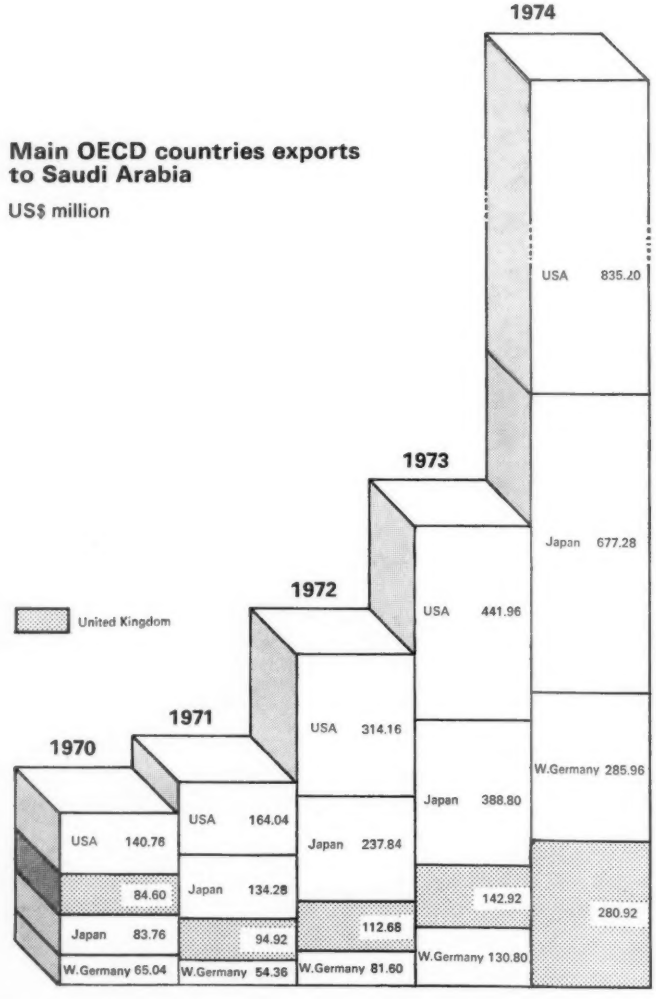
Overheads are high

'Overheads are high in Saudi Arabia,' Mr. Henry told me. 'You have to recognise, for instance, that the usual female secretarial assistance is simply not available out here. Patience and flexibility, coupled with persistence, are the qualities needed for success in Saudi Arabia.'

The Saudis lay great stress on courtesy visiting, he said, and it was necessary to get known and keep yourself known.

Tom Quinlan, First Secretary (Commercial) at the British Embassy in Jeddah, made a similar point to me. 'Government contracting, particularly,' he said, 'is a field for the patient man who is prepared to invest his time and energy for long-term benefits. You will become a friend when you have done business for awhile and are a regular visitor.'

There is tangible evidence of this friendship to be seen at the airports, where very arrival is



awaited by Saudis who have come to greet friends from abroad and put cars and hotel rooms at their disposal.

There are not enough hotels in Saudi Arabia's main cities to cope with the onslaught of businessmen from all over the world and the visitor is well advised to book well in advance and be prepared to accept whatever standard of room awaits him on arrival. Getting a visa is also a slow business and requires patience as well as a Saudi business sponsor.

Doing good business

In Riyadh I met John Taylor, a director of OAD (Agriculture) Ltd., who have offices in Berkshire. He was in the country for two weeks selling complete packages, including management personnel and selection of equipment, to Saudi farmers. The Saudi government, he said, were making big efforts to encourage agriculture and his company were 'beginning to do good business in Saudi Arabia'.

Other firms in the agricultural sector – like Alfa-Laval who have won two big orders for milking machines – are also doing good business, but people to whom I spoke thought that British firms should be making a greater effort in the Saudi Arabian agricultural market.

It has been estimated that about 1 per cent of Saudi Arabia is at present cultivated but that up to 15 per cent of the land is capable of being brought into cultivation when enough water is available and with proper husbandry. Certainly the Saudi Government is aiming high and by the end of the new Plan which allocated £5 billion to agricultural development, it aims to produce about half the wheat and barley and all the millet the country needs.

Another area where there are opportunities for British firms is what might broadly be termed the health sector where the Saudi Government aims to provide a health network throughout the country almost tripling the number of hospital beds (11,400 by the end of the Plan).

Package deals

The Saudis are beginning to realise that a comprehensive health service is a far more difficult concept in a country like Saudi Arabia than they had thought. Package deals – supplying the hospital, equipment and staff – are probably the answer.

Jolyon Kay, Economic Counsellor at the British Embassy, told me that his talks to officials at the Central Planning Organisation had led him to believe that the Saudis saw health provision, training and the improvement of complete towns, with sewage, sidewalks, housing and so on, as the most promising line for Britain to pursue.

I visited Dr. Rida Abbar, Director General of the Industrial Studies and Development Centre of the Ministry of Commerce and Industry. This agency is particularly concerned with promoting new types of industry and has a large file of information based on the many feasibility surveys it has conducted. Dr. Abbar told me that his agency would welcome inquiries from Britain and could help British firms to get in touch with expansion minded Saudi firms and to find business partners.

He emphasised that there were no foreign currency regulations and that his Government gave the same generous encouragement and facilities to foreign as to Saudi firms.

British firms, he thought, would be particularly interested in feasibility studies which had been carried out for ceramics, packing paper, glass sheet, electric light bulbs, prefabricated houses and vegetable oil.

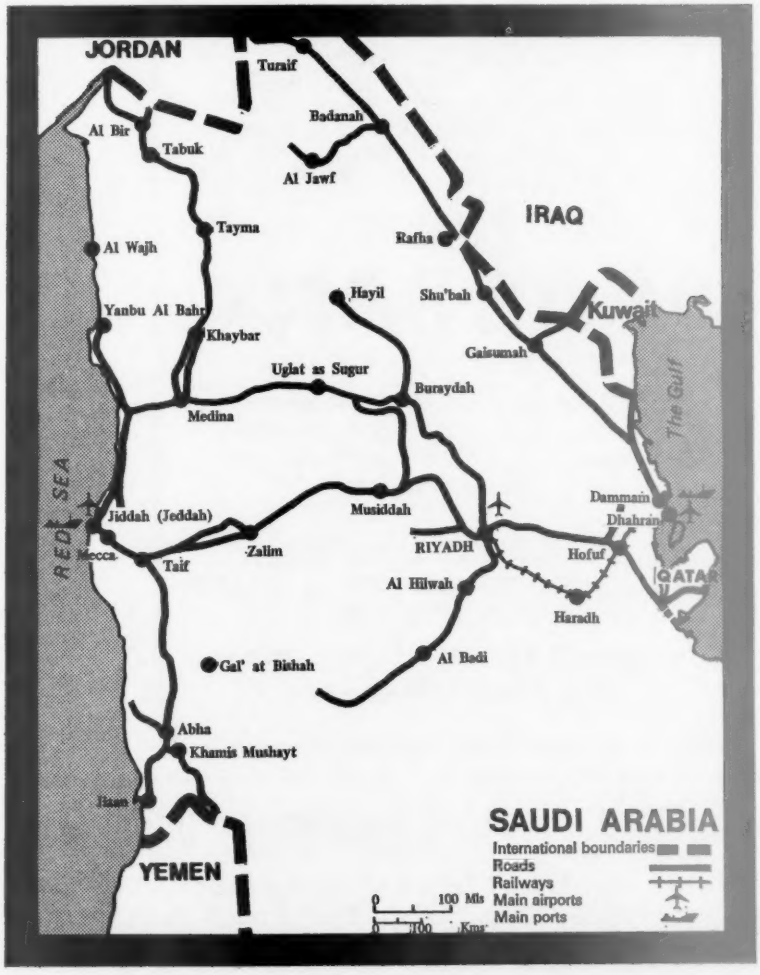
Three buying peaks

For the exporter of consumer goods there are three peak buying periods which should be kept in mind. The first is the pilgrimage season when half a million pilgrims every year visit the holy cities of Mecca and Medina, forbidden to all but Muslims. This lasts for about two months and is the busiest time for merchants in Jeddah, Medina and Mecca. This year it starts about the middle of November, although the exact date changes each year.

The pilgrims, who come from all over the Muslim world, buy all the usual things, like transistors, light kitchen equipment, shoes,

SAUDI ARABIA

Population (est. 1975)	6.5m
Gross national product (1974)	$13.3b
Income per head (1974)	$3,000
UK exports	
1974	£119.7m
Jan.-April 1974	£34.2m
Jan.-April 1975	£53.7m
UK imports	
1974	£1,178.1m
Jan.-April 1974	£415.4m
Jan.-April 1975	£306.7m
Development expenditure	
1976-80	$142b
1971-75	$10b
Projected GNP (1980)	$50b
Projected income per head (1980)	$5,598
Currency	
£1 = 7.85 Saudi Riyal	
$1 = 3.45 Saudi Riyal	
(as at 23 June with £1 = $2.27)	



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cloth, plastic ware and food, and some improbable-sounding goods like extremely heavyweight cloths. The income from the pilgrimage traffic holds second place in the national receipts.

Ramadan, the Muslim fasting month, is the second peak period for consumer buying. It is in September this year and ends with an official public holiday. It is the time of year when Muslims buy furniture for their homes, new clothes for their families, and toys for their children.

The third peak period is the time of the school summer holidays, beginning in June. This is the time when thousands of expatriate teachers leave Saudi Arabia to go back to their homes in Egypt, Syria, Lebanon, and other countries. They take all kinds of gifts with them, particularly textiles and piece goods.

There is no market in Saudi Arabia for either alcoholic beverages or, of course, for pig meat or pig meat products. What is more, it is forbidden for visitors to take alcohol into the country, even in small quantities.

Britain's main exports of consumer goods to Saudi Arabia are tobacco, medicines, food and textiles.

There are disadvantages as well as advantages to English being the second language of Saudi Arabia. Because he reads English the modern Saudi businessman can read about the problems facing our economy in the British press. Inevitably he reads more about failure than success, more bad news than good. This sometimes leads him to look elsewhere for goods which he could obtain easily in Britain. A view often expressed among British businessmen in Saudi Arabia is that a better press image would probably do more for our exports than all the efforts of our exporters and the BOTB combined.

Exciting market

There are physical limits to economic expansion in a country with a relatively small population. Some experts argue that, on past performance, it is unlikely that the Saudi Arabians will be able to spend more than a third of the projected total of the Five-Year Plan. But such a performance would nevertheless make Saudi Arabia one of the most exciting markets in the world for British exporters. So long as he sticks to the rules and attention is paid to the wealth of good advice, available both in London and Jeddah, Saudi Arabia could become one of the most important and stable markets for the British exporter in the years ahead.

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- 2.2 *Advice and drafting of joint venture contracts, assessment and monetary evaluation of investments in goods, services, and know-how, advice on management structure of undertaking and sharing of profit.*
- 2.3 *Preparation of Memorandum of Association, Article of Association, feasibility study and all other documents required.*
- 2.4 *Preparation of back-up data and application for obtaining finance from government agencies, development banks, commercial banks, private investors.*
- 2.5 *Submission of registration documents in accordance with Regulations for Companies and negotiations with Ministry of Commerce and Industry.*
- 2.6 *Preparation and submission of documents to Department of Companies for filing and registration.*
- 2.7 *Preparation and submission of documents for commercial registration.*
- 2.8 *Assistance with sponsorship, obtaining visa, Saudi driving licence, work and residence permits for foreign engineers, companies and individuals willing to contribute as consultants, contractors or businessmen to the industrial development of the Kingdom.*

3 *Project management from planning to finished stage.*

Write giving full details of your proposed service or industrial project about your firm and stating clearly what you have to offer and what you want.

General Manager,
AL-MAHA TECHNICAL SERVICES
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IRAN
Country in a hurry

Ronald Mayes

Iran's fabulous rate of economic expansion is no longer news. That much becomes evident to every businessman right from the start when he finds that Tehran's hotels are so crowded with competitors that bookings need to be made several months in advance.

Any market where growth of imports by 60 per cent a year is in prospect – and this is Iran's official forecast over the period of the Fifth Plan, ending March 1978 – will require an extraordinary response.

In Iran the way you do business is all-important. It must correspond to the Iranian manner of doing things and it must stand up to some of the toughest competition in the world.

'In Iran the next two or three years at least will be a period of growth at a pace quite outside the experience of almost all other countries. They will be crucial in developing business over the long term.

'We need what I call a frontal approach by British firms here. More have adopted it in the past 18 months or so, but the right attitude needs to spread. A frontal approach includes commissioning a good market and feasibility study at the outset. It means frequent visits by senior people who must be well briefed in advance. It may mean setting up a sales organisation under your own control with a joint venture alongside an Iranian firm as a later step.

'In short, as one of the world's most competitive markets, Iran demands a thoroughly professional selling operation. The lack of urgency shown by British firms in the past is the reason in the main for our relatively modest share of the Iranian market.'

These remarks by a well established British commercial representative in Iran reflect a strong feeling that a great deal more business is within the grasp of British firms – but only if the approach is urgent and professional enough.

To quote Mohammed Iravani, Chairman and Managing Director of Melli Industries, a very prominent Iranian industrialist, 'British businessmen are highly respected in this country and I should like to do more business with them. If only some important weaknesses could be put right your firms could win several times their present share of the Iranian market. By weaknesses I mean in particular that British firms are not fighting hard enough for business in Iran. And they are too slow when it comes to reacting and taking decisions. You can sometimes get orders here without taking much trouble and even without visiting us. But if the right sort of effort is put in, the sky is the limit for sales to Iran.'

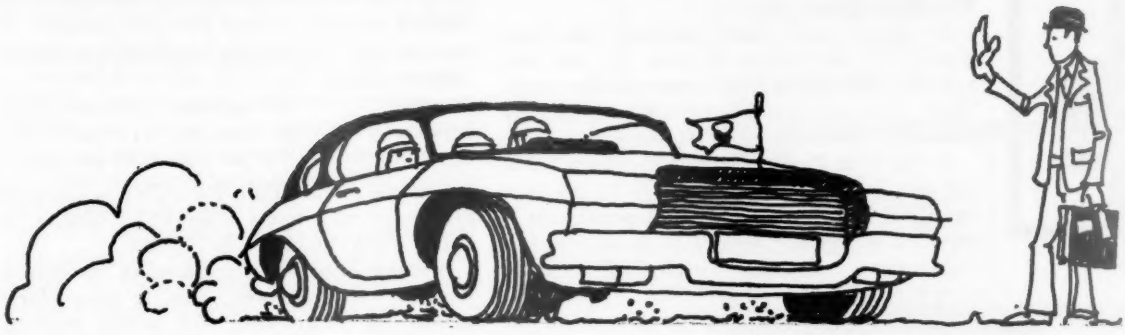
There is plenty of evidence that British firms' interest in Iran has already quickened very substantially. One indication is the total of some 4,000 businessmen who visited the Embassy in Tehran during the past year – twice the previous rate. Another is the 100 or so joint ventures that are thought to be at various stages of negotiation between British and Iranian firms.

And in the past five years the value of British exports to Iran has quadrupled, roughly in line with total OECD exports to the market. During this time US exports expanded more than fivefold, with a massive surge forward last year. Japan's exports to Iran have also more than quintupled, while French and German exports have grown by rather less than Britain's.

Preparation is essential

So far this year our exports to Iran have been running at double the 1974 level. The value for the year as a whole should exceed £400 million.

Equally clearly much of this interest needs to be meshed in more closely with the market realities. The consequence of the fact that awareness of the Iranian economic miracle has spread throughout the developed world is that selling to Iran demands thorough preparation. Although a casual approach can sometimes still bring quick orders, much more often disappointment is the only result. Iran is not the present day 'gold rush' with nuggets of business



to be picked up easily. Time spent in making a good market survey to estimate the potential and determine if this is the right country for your firm's effort is a very desirable preliminary. Letters are not a satisfactory way of arousing interest from Iranian organisations. They are not likely to be replied to and they are no substitute for personal contact.

Particularly at the concluding stages of a deal Iranians expect top-level treatment, preferably from the chief executive. They resent nothing more than being faced with a negotiator who – lacking authority to take decisions – has to make time-wasting references back to his board in Britain.

And, despite the delays imposed by Iran's own ports and internal transport, they are liable to take offence if a lack of priority for their market shows through in lengthy delivery periods or inadequate offers of supplies.

Iranians are tough negotiators but because of the pace of events they frequently take their decisions in a hurry. They expect to be faced by a man of the same calibre who can act with similar decision; and moreover by someone who is adequately briefed on their market and prepared to do business in line with its practices.

Whether to work through an Iranian agent or, at least in the long run, to set up your own sales office is a decision which depends on your own product and circumstances. If you take the former course you may find the relationship can be developed best if you appoint a technical representative to work in the Iranian firm. A careful search for the right Iranian agency is of course very desirable. This requirement is stronger still if you are seeking a partner for some kind of joint venture agreement.

Iran attaches great importance to joint ventures as a way of expanding her own industrial base. Joint ventures have the full support of the British Government because they are perhaps one of the most effective ways of ensuring a continued market for products in Iran. In many cases the products of joint ventures are protected against foreign competition.

The message for British suppliers is clear. If the potential market for your products in Iran is such that local production, or local assembly leading on to manufacture in part or whole, would be a commercially viable proposition then think seriously about setting up a joint venture with Iranian partners. If you do not do so the chances are that your competitors will – and you may then find it increasingly difficult to sell direct to Iran.

In April the Shah issued a decree to the effect that major productive enterprises should make 49 per cent of their shares (99 per cent in the case of some state-owned enterprises) available to workers and the general public by October 1978. Enabling legislation is now before the Iranian Parliament (Majlis). It is not clear at this stage exactly how this will affect the foreign shareholding in existing or future joint ventures, but it seems likely that foreign partners will be required to conform with the legislation in the same way as Iranian partners, although Iran will wish to retain foreign investment and continue to encourage it.

Intelligence matters most

Underlying the whole sales operation is the fact that Iran is perhaps the most difficult country in the world for developing an adequate system of market intelligence. This is true particularly of the public sector which during the Fifth Plan is expected to spend $50.2 billion on current expenditure and $42.2 billion on fixed investment. Because businessmen keep a closer watch for opportunities the problem is less difficult in the private sector, expected to invest $23.4 billion during the Fifth Plan. But even here close attention to getting intelligence first can be the decisive factor.

If your aim is long-term and expanding business an effective market intelligence system based in Iran is essential. There may be scope for sharing costs with other UK firms, but in any event market intelligence is one area where expenditure should not be skimped.

Iran is not the market for an export novice, or for the most part for firms which can supply only small quantities on extended delivery periods. But, provided enough effort is sustained, profits can be satisfactory and massive business can be won. Because of the scope of Iran's development successful involvement is likely to become a major factor in any firm's total operations – and generate the need for bigger investment and other back-up facilities in Britain itself.

IRAN

Population	31.25m
Gross national product (1972/73)	$17.3b
Income per head (1972/73)	$556
UK exports	
1974	£278.6m
Jan.-April 1974	£69.5m
Jan.-April 1975	£137.5m
UK imports	
1974	£513.3m
Jan.-April 1974	£59.2m
Jan.-April 1975	£239.0m
Development expenditure (1973/74-1977/78)	$68.6b
Projected GNP (1977/78)	$54.6b
Projected income per head (1977/78)	$1,521
Currency	
£1 = 150.6 Rial	
$1 = 66.3 Rial	
(as at 23 June with £1 = $2.27)	

IRAN
Country
in a hurry

Market briefing on Iran

The Fifth Plan

In recent years Iran's economy has been growing in real terms by over 11 per cent annually, one of the highest rates in the world. There was an upsurge in 1973/74, mainly because of the escalation of oil revenues.

In the Fifth Plan (March 1973-March 1978) the aim is to accelerate growth to 26 per cent annually. During the Fifth Plan population is expected to increase from 31 to 36 million, but even so the aim is to almost triple GNP per head so as to reach $1,580 in 1977/78.

There is a flourishing private sector in industry and commerce but the economy as a whole is carefully planned and controlled by the Government. In the Fifth Plan private sector consumption is expected to rise by 15 per cent annually and public sector consumption by 27 per cent annually; for fixed investment the expected growth rates are 18 per cent in the private sector and 38 per cent in the public sector.

Originally the Fifth Plan envisaged development spending at $36 billion (ie $36,000 million) but when the quadrupling of oil prices removed financial constraints, the Plan was revised in August 1974. Development spending has been almost doubled to $68.6 billion, of which the public sector will account for roughly two-thirds.

The revised Plan intensifies the emphasis placed on developing agriculture (in the past a disappointing sector) and social services. There are also increases in most other sectors.

Growth projected in Iran's Fifth Plan
Percentage per year; targets before revision in brackets

Oil and gas	51.5 per cent (11.8 per cent)
Industries and mines	18.0 per cent (15.0 per cent)
Services	16.4 per cent (11.5 per cent)
Agriculture	7.0 per cent (5.5 per cent)

Under the revised Fifth Plan GNP is expected to rise in real terms from $17.3 billion in 1972-73 to $54.6 billion in 1977-78.

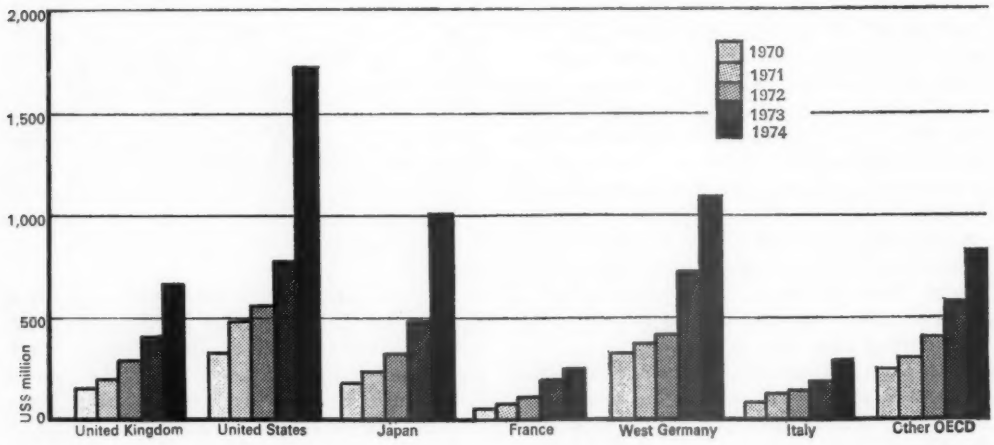
A major constraint recognised in the Plan is shortage of manpower. This is particularly serious for technicians and skilled workers. Hence the emphasis on expatriates and training facilities when contracts are being awarded.

Beyond the Fifth Plan

The aim is to make Iran a major industrial economy by the mid-1980s. Hushang Ansary, Minister of Economic Affairs and Finance, predicts that GNP will rise to about $180 billion by 1985; imports to $40 billion; steel output to 20m tons; and port capacity to 80m tons. In the private sector Mr. Ansary predicts that by 1980 Iran should have two billion-dollar companies in the car and steel industries.

Iran National Industries Corporation's production of *Peykans* – the Iranian version of the Hillman Hunter – has already increased from 6,650 in 1967-68 to over 100,000 in the current year. With major new plant soon to come into production the aim is to raise output first to 200,000 units and subsequently to about half a million in 1978-79.

OECD countries' exports to Iran



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External Trade

If the medium-term industrial ambitions are to be realised Iran will have to become a major exporter, first to neighbouring countries and subsequently to the developed world. Already both the Iranian public and private sectors are showing an interest in participating in companies based in developed countries, with an eye to the transfer of know-how and the trade in each direction that may result.

In 1973-74 foreign exchange earnings totalled $6.2 billion of which oil accounted for $5.2 billion. In 1974-75 they are thought to have reached some $23 billion, with oil making up $21 billion and non-oil exports of natural gas, traditional and manufactured goods $2 billion.

The revised Plan states that current account imports are expected to rise very rapidly, by 60 per cent each year. Total imports during the Fifth Plan are expected to exceed $79 billion. Imports of services will add another $14.3 billion. Imports of both goods and services will be over seven times the total during the Fourth Plan.

The revised Plan states further that 'to help fight inflationary pressures, and to encourage healthy competition, imports will be encouraged and the policy of gradual lowering of tariffs and commercial taxes will be continued'. Progress in reducing import controls and tariffs is, however, expected to be no more than gradual.

The probability is that although Iran will remain predominantly a market for capital and producer goods possibilities for selling more consumer goods will improve gradually as development proceeds.

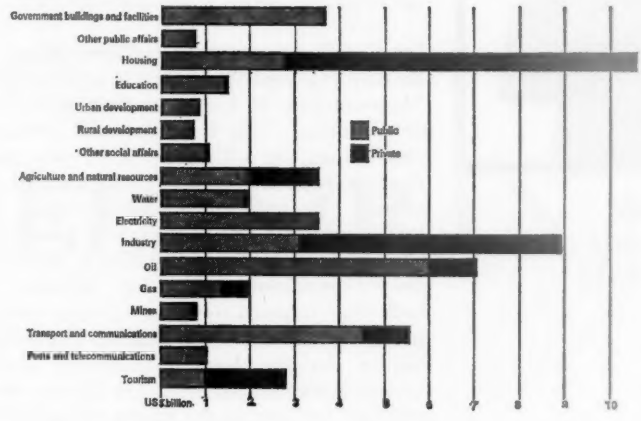
UK trade with Iran

United Kingdom exports include a wide range of products, principally transport equipment (including vehicles, many supplied in CKD kit form for local assembly/part manufacture), machinery, chemicals, metal manufactures and armaments – Iran, a member of the Central Treaty Organisation, is a major customer for military equipment.

United Kingdom exports have grown from £66m in 1970 to £117m in 1972, £169m in 1973 to £279m in 1974 and £185m in the first five months of 1975. We are fourth largest supplier to the market, following West Germany (20 per cent in 1973-74), the United States (13 per cent) and Japan (15 per cent).

There are major opportunities for faster growth of United Kingdom exports. Among other factors the growing number of joint ventures between United Kingdom and Iranian firms carry with them the prospect of supplying

Fixed Investment targets in Iran's Fifth Plan (1973/74-1977/78)



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IRAN
Country
in a hurry

more British plant, machinery and components and selling know-how and technical and managerial services. Opportunities for consultancy services and civil engineering participation in infrastructure projects are also very large.

Iran – UK government collaboration

In 1972 Iran and the United Kingdom signed a Memorandum of Understanding on economic development. This is a political declaration emphasising the willingness of the two Governments to expand economic collaboration. It has created the political goodwill within which British firms are able to operate to good effect.

As part of this understanding a Joint Economic Commission was set up. Ministers from both Governments meet once a year to review progress and to try to establish future possibilities. In the Joint Commission meetings United Kingdom Ministers are able to give full political backing to the efforts of British firms and to try to resolve problems which are preventing them from doing as much as they wish.

At the last meeting of the Joint Commission in January 1975, when the United Kingdom delegation was led by Peter Shore, Secretary of State for Trade, agreements included a new programme of agricultural and industrial joint ventures; major new areas of co-operation – railway electrification, housing, hospitals, distribution, training and others; supplying Iran with cargo ships; and further examination of possibilities for joint ventures, not only in Iran and the United Kingdom, but also in third countries.

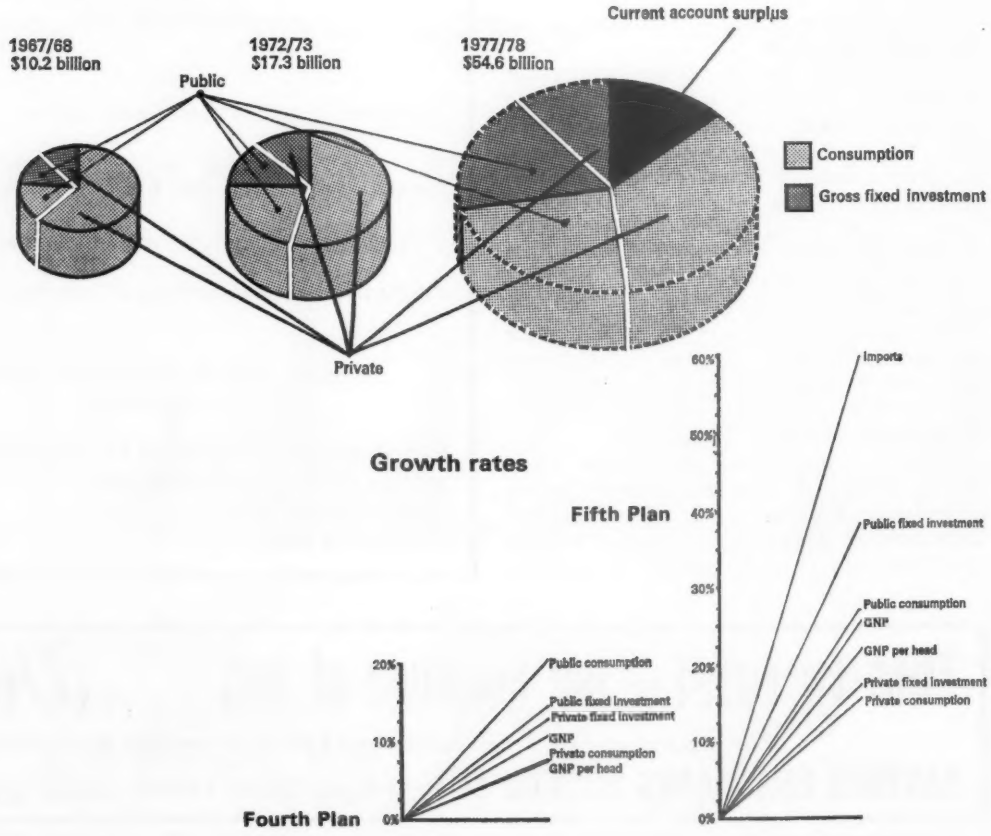
The Commission's joint committees (on industry and agriculture) keep under review the progress of joint ventures between British firms and Iranian partners, seek to identify new sectors for such ventures and provide the channel for either side to bring difficulties to the attention of the other at official level.

Another sector where the Joint Commission can help British firms is in major project business – by identifying projects at the earliest stage, by making our interest known and by taking up any difficulties which British firms experience in this sector. Iran has many major infrastructure projects in hand – for example hospitals, housing, road construction, railway electrification, ports. For the most part these exceed the capacity of any one supplying country – and Iran is anxious to make sure that the programmes are carried through quickly and effectively. So in many cases Iran is prepared to dispense with the formal processes of international tender and to place contracts on a negotiated basis.

Firms which are pursuing joint ventures or major projects should keep in touch with the Department of Trade and the British Embassy in Tehran so that their efforts can be supported, where desirable, through Government-to-Government contacts.

Iran's economic growth-performance and forecast

At constant 1972/73 prices



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HONG KONG:	9th Floor, Shell House, Queen's Road, Central.

*Present approximate rate of US $ to Rial is: 1 US $ = Rls 66.645

IRAQ
More participation wanted

Ronald Mayes

With oil revenues last year estimated at over $7,000m – the fifth largest of any OPEC country – Iraq's economy has undergone a transformation since the oil price revolution took place. Iraq's oil revenue should continue to provide the funds it needs to plan on a very large scale. The large increases in production envisaged from the southern oil fields should yield additional and significant revenues.

The Iraqi Government however is very conscious of the fact that oil is a non-renewable resource. It has decided to use oil revenues to build a self-sustaining economy which will provide a much higher standard of living for its peoples. Given Iraq's large areas of agricultural land, ample water supplies, balanced population and other resources this is no idle dream.

This decision means that there will be a massive and rising demand for construction work and for supplies and expertise from overseas over the years ahead. As in so many other OPEC countries the emphasis is on development at high speed. Despite the difficulties which still too often slow up the execution of development projects, British firms must adjust themselves to a situation where the pace expected of them is very quick by ordinary world standards.

These requirements – and the very strong competition that can be expected from both West and East European countries, the United States and Japan – mean that Iraq is not an easy market or one to be entered lightly. But there is a lot of work to be done and the reward can be great.

The chart of OECD exports to Iraq shows how rapidly trade is now gathering pace. Last year the value of Iraq's imports from these sources grew not far short of fourfold over 1973. The modest share of business won by Britain – in a market where a few years ago we held first place – shows that this is a market which cries out for more action by British firms, even though in absolute terms our exports to Iraq more than doubled in 1974 to $143m.

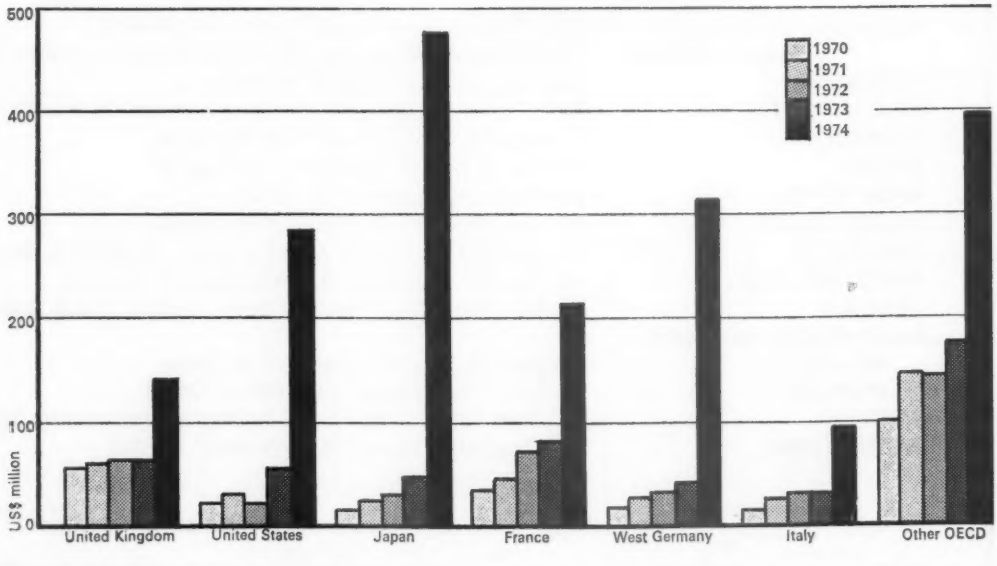
Economic and technological agreement with UK

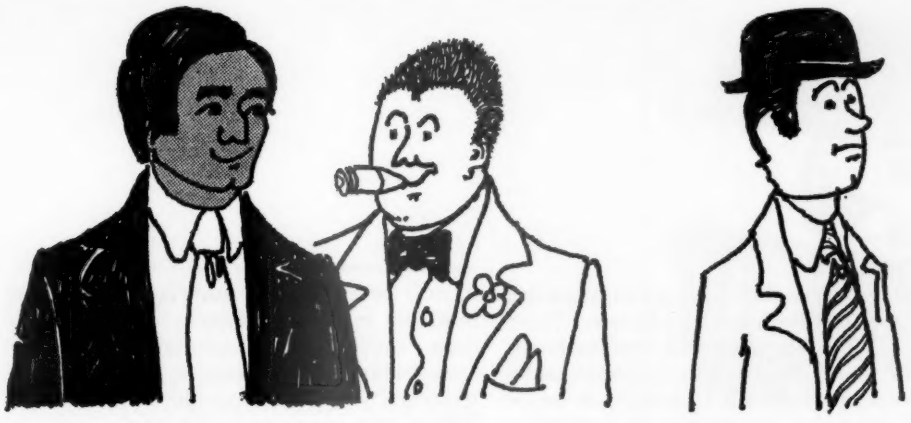
Besides the factors of language, training and historical connection there are forces strongly in favour of British business with Iraq. The Iraqi Government actively wishes to diversify its sources of supply. When diplomatic relations between the two countries were resumed in the spring of last year, the Iraqi Government expressed the hope that British firms would participate in more development projects.

This hope is best summarised in the words of Iraq's Minister of Economy, His Excellency Hikmat Al Azzawi; 'The Government of the Republic of Iraq operates in accordance with the far-reaching plan to raise the standard of living of every individual both of the people of Iraq in particular and also of our Arab people in general to achieve a higher standard of prosperity and happiness.

'In order to achieve the complete and speedy

OECD countries' exports to Iraq





realisation of this ambitious plan, Iraq hopes all friendly states will take part, particularly by urging their establishments and companies to join in the execution of projects in the various sectors of the plan.

'And we hope that the agreed joint minute of the meeting on economic and technical co-operation between Iraq and Britain which has been initialled by both countries and which will be signed in its final form in the near future, will be the best incentive for British establishments and companies to play their part in the execution of development projects in Iraq'.

Development ahead

The Iraqi Government's development plan for 1976-80 is being reviewed and is not expected to be published until the end of this year. Estimates for the new plan have suggested a total target expenditure of about ID9,000m. This may have to be either reduced or phased over a longer period so as to avoid over-commitment but a comparison between the investment budget for April-December (the current shortened transitional financial year) and those for 1973/74 and 1974/75 shows just how rapid is the pace of growth.

Investment budget estimates 1973-75

(million dinars)

	1973/74	1974/75	1975 (9 months)
Industry	45	225	448
Agriculture	65	190	207
Building & services	35	175	188
Transport & communications	35	120	166
Total (including other economic sectors)	296	1,169	1,076

Major sectors of Iraq's development include the following.

Industry and technology

At the head of the list is work to increase exploitation of crude oil resources and – refining capacity for export and to establish a large-scale petrochemical industry. Metallurgical, chemical, paper and automobile industries are to be developed. Production of cement and other building materials, notably bricks and concrete blocks, is to be increased greatly. Consumer goods industries, including food processing – particularly sugar refining – and other import substitution industries are also to be developed.

Agriculture

Priority is expected for controlling and utilising the waters of the Tigris and Euphrates, including some very large projects. Much work on drainage and irrigation has already begun, some of it in the hands of British firms. Plans for both agriculture and animal husbandry are on a vast scale. Large areas of undeveloped land are being earmarked for development as integrated complexes, including horticulture, grain and sugar growing, beef, butter and milk production and poultry; better agricultural and veterinary services are projected; and there are plans for improving the quality of livestock and for setting up centres to produce vaccines and other veterinary aids on a large scale.

Infrastructure

Major additions to roads and railways, ports and airports, telecommunications and transport systems will be needed. Plans for new and improved roads include an expressway of 1,500km. A rapid transit system for Baghdad and major purchases of road vehicles are envisaged. Iraq's railways are to be extended, including the construction of standard gauge links between Baghdad and Kirkuk, and Baghdad and Basrah for which British consultants have been appointed. Other projects include buying a substantial number of new cargo vessels and tankers; new airports at Mosul, Basrah and Kirkuk plus an extension and terminal building at Baghdad Airport; and extensive new telecommunications and post office facilities.

Public building and housing

An ambitious programme includes £30m for Government offices in Baghdad. Houses, mainly prefabricated, are to be built in the major towns and rural areas. Preliminary studies have been made for a new heavy industrial complex at Suwaira and a light industrial city at Baquba.

Education and health

There is a large market for educational and medical equipment. Tenders for building a

IRAQ

Population	10.8m
Gross domestic product (1971)	$4.4b
UK exports	
1974	£59.8m
Jan.-April 1974	£14.5m
Jan.-April 1975	£37.6m
UK imports	
1974	£106.6m
Jan.-April 1974	£36.0m
Jan.-April 1975	£25.9m
Currency	
£1 = 0.669 Iraqi Dinar	
$1 = 0.295 Iraqi Dinar	
(as at 23 June with £1 = $2.27)	

IRAQ
More participation wanted

University of Technology have been invited and the University of Baghdad is under way. There are also schemes for vocational training establishments, some 700 new primary schools and a £8m extension to Basrah University. A major hospital expansion programme is continuing and further large hospitals are included in the next five year plan. A new medical school at Mustansiriyah University, Baghdad, is being considered.

Public services

Large-scale developments in power generation, rural electrification, piped water supplies and effluent treatment plants are in hand and are expected to be given priority.

Tackling large projects

The Iraqi Government are well aware that Iraq's own resources of technology and trained manpower cannot cope with all these projects. For many projects tenders are therefore being invited on a complete turnkey basis. While some are for global tenders, in other cases selected foreign contractors are invited to submit bids and to negotiate. The normal requirement is for fixed price contracts, although some flexibility may be possible in respect of local costs. Provision for technical assistance in commissioning and managing plant, and for training Iraqis in its operation, should be an integral part of any such contract.

Contractors in Iraq have encountered administrative difficulties on matters like taxes. import duties and permits for personnel and materials. In order to overcome some of these difficulties and to hasten the execution of major and important undertakings, in 1973 the Iraqi Government intoduced Law No. 157 'On the Implementation of Major Projects'. This Law is administered by a Committee (usually known for short as 'The Follow-up Committee') which may grant privileges and exemptions from customs duties, import restrictions, income tax and work permit rules for aliens. The decision is at the discretion of the Committee and not all contracts fall within its purview; it is necessary to establish the position at an early stage of discussion.

The public sector

In Iraq the public sector now accounts for about 90 per cent of oil production, all the major industries and almost all foreign trade, except for certain capital equipment imported direct by the private industrial sector. This means that agents have limited scope and there is little opportunity for joint venture agreements involving foreign capital participation. There are however opportunities for providing know-how on the basis of a lump sum payment or of royalties over a specific period; and the public, mixed and private industrial sectors alike, welcome foreign collaboration setting up new industries on a turnkey basis.

The General Trade Establishment

This is the holding company of the nine companies shown in the table. It is responsible for the bulk of imports of manufactured articles and materials. The Establishment and its subsidiaries are the responsibility of the Ministry of Economy (soon to be split into two, one Ministry to handle foreign trade). Instructions have been issued that all transactions with suppliers should be direct and that the services of commission agents are not permitted. The General Trade Establishment has recently considered that a number of British manufacturers are reneging on their contractual obligations to supply at prices agreed at the time of contract. Complaints are also made over failure

General Trade Establishment
Dhaman Al-Ijtimai Building
Jumhouriya Street
Baghdad

This controls nine companies who normally handle all Iraq's imports

African Iraqi Trading Company	Import and distribution of many domestic electrical appliances
Chemicals Importation and Distribution Company	Import and distribution of chemicals and fertilisers for industry and farming
State Machinery Import Company	Import and selling of agricultural, industrial and constructional machinery
General Automobile Company	Import and distribution of vehicles, motorcycles and parts
General Construction Materials Import Company	Import and distribution of construction and sanitary materials
Government Purchasing Board	Import of some bulk foodstuffs and consumer items
Iraq Stores Company	Import and distribution of many domestic consumer goods
State Company for the Importation and Distribution of Precision Instruments	Import of such items as X-ray equipment, watches, clocks, cinema films, stationery and office equipment
Steel and Timber Company	Import of constructional steel and timber

to comply with delivery obligations. This often invokes severe penalty clauses and British exporters should take good care that they are able to comply with their contractual obligations in dealings with Iraqi state organisations, which are highly resistant to arguments in favour of varying the terms of a contract after signature.

Import programme tripled since 1973/74
The last financial year allocations for Iraq's import programme were increased to ID1,320m, three times the total for 1973/74 and more than all actual imports during the whole 1970-74 five year plan. The import programme for April-December 1975 will amount to ID1,150m, split as follows:

Industrial sector	416
Trade sector	380
Public departments	330
Total (including others)	ID 1,150

The time to go out for business is now
In the first four months of 1975 British exports to Iraq reached £38m, one and a half times more than the total for a year earlier. The agreed minute on economic and technical co-operation provides a new impetus for increasing our participation in Iraq's development. Now is very definitely the time for British exporters, contractors and consultants to seize the opportunities in this rapidly expanding market.

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QATAR
Not a market to be missed

David Crawford,
British Ambassador, Qatar

On 13 May this year His Highness Shaikh Khalifah bin Hamad al Thani, the Amir of Qatar, opened a $60m natural gas liquids plant and a $8½m oil refinery at Umm Said.

The first will export – in specially constructed ships – butane, propane and distillate and the second will provide Qatar with most of its domestic fuel needs.

On his way to these two opening ceremonies, His Highness passed a 300mW power station and desalination complex currently under construction. At Umm Said he also saw the site preparations for the major petrochemicals plant, 500mW power station, 400,000 ton steel plant and 250,000bpd export refinery which form a major element of Qatar's current plans for industrial development.

In the background, inevitably, was a supertanker, loading oil from the Qatar Petroleum Company's oil port.

So the scene at Umm Said largely encapsulated what is happening in the modern Qatar.

Economic diversification

In a speech before the opening ceremonies the Amir's son, Shaikh Abdul Aziz bin Khalifah, Minister of Finance and Petroleum, had said that the new NGL plant and the refinery would play a major part in the industrial development of the country. Above all, it would help to ensure that Qatar's economy will not be entirely dependent on oil.

As in other OPEC countries, economic diversification – particularly development based on oil and gas, designed to lead to a spin-off in the creation of other industries – is a fundamental feature of Qatar's approach to the future. And with a balance of payments surplus which has grown from something like $50m in 1973 to $1,150m last year on the strength of increased oil revenues, the country has more than enough resources to finance this diversification.

Hence, alongside the petrochemicals plant, the power/desalination projects, export refinery and steel complex, plans are in hand to double the capacity of the recently completed fertiliser plant, to triple cement output and to build a major aluminium smelter. A large offshore natural gas field is also to be developed. There is no formal economic development plan, but in 1975 projects will add up to expenditure of perhaps $500m.

Green revolution, too

Not that the emphasis is wholly on industrialisation. Qatar has long enjoyed a thriving agricultural sector, supplying particularly vegetables to other countries in the Gulf. Now there are schemes under consideration or being implemented for sheep and poultry farming, afforestation and even the cultivation of cereal crops.

To support all this, infrastructure development includes port extensions, a major airport improvement scheme, plans for a national network of dual carriageways and the improvement of telecommunications facilities, including a satellite earth station. Housing development will be extensive, including a new township around the industrial complex at Umm Said – currently 1,000 houses are planned. And major development of Qatar's health, education and social services is also planned, including a university and a 600-bed hospital. All in all, spending on Qatar's economic and social infrastructure will total many millions of dollars over the next decade.

Joint projects

All these developments provide valuable business opportunities for overseas firms, particularly in respect of joint projects. As in other of the OPEC countries, the Qatari Government is looking to package deal partnerships with overseas firms which can provide the design, technical and management skills required to bring the country's major development projects into successful operation over the next decade.

Moreover, Qatar's civil and other contractors want to link up with overseas firms for joint ventures in construction and related projects.

Indeed the scope for joint ventures is not only on the major projects side. The Qatari Government is actively encouraging the development of small scale industries, by granting loans, facilities and advice to the private sector. Qatari businessmen are, therefore, very actively studying the opportunities they have to engage in manufacturing, being specially interested in less labour-intensive industries. So these business-

men want to hear from overseas firms willing to join them in such activities.

More imports

What else does Qatar want? No one would claim that Qatar is a major OPEC market. But with imports likely to double this year from the £117m of 1974, it is certainly worth looking at, and looking at hard.

The process of accelerated development will mean a high demand for steel, process plant and all forms of construction equipment and materials – cranes, cement mixers, dumpers, trucks, sanitary ware, electric cables, paint, pumps, pipes come readily to mind. And there are many more items which Britain can supply in increasing quantities – agricultural equipment being one example.

A wealthy and growing community provides an increasingly attractive market for a wide selection of consumer products, including those in the quality range. Qatar's very active merchant community is particularly interested in such products as pharmaceuticals, cosmetics, carpets, furniture, clothing, textiles, packaged and tinned foods, quality cutlery, crockery and glassware, and the whole range of domestic electrical goods. All these are areas in which Britain should do well.

Qataris like the quality of British goods and their businessmen have long enjoyed dealing with British companies. Qatar's links as a whole with the United Kingdom remain strong. Members of Doha's leading families regularly visit London during the summer, while Doha's business community are also frequent travellers to the United Kingdom. So there is much goodwill towards Britain.

This does not mean, however, that Qataris consider themselves under any obligation to do business with us. If our overseas competitors accept fixed prices and competitive tendering, they expect us to do likewise. And, as the world over, in the end they choose the contractor or supplier who offers the best price, quality and delivery date for the goods or services they require. Sentiment only goes so far.

But reduced market share

The disturbing fact is that British firms have allowed overseas competitors to take their place in a market where they were previously dominant.

In terms of major projects, the Norwegians are operating the British-built fertiliser plant; the Japanese are partners in Qatar's steel project; the French will manage petrochemicals; and the West Germans are building the latest power station.

And in terms of visible exports, in 1974 the Japanese took over from Britain as Qatar's leading supplier. Our share of the market dropped from nearly 28 per cent in 1973 to only a little over 14 per cent last year. Our visible exports were valued at £22m – a 14 per cent increase on the previous year, one of the lowest percentage increases to any of the Middle East oil countries.

So there is clearly no room for complacency, particularly as the other West European countries and the United States are challenging strongly for a bigger market share. Not that all is lost. If invisibles and government sales are taken into account, we've probably retained first position in the market. And from the figures for the first months of this year it looks as if our exports are on a strongly rising trend. At

QATAR

Population	100,000
Gross domestic product (1974)	$1,410m
UK exports	
1974	£22.1m
Jan.-April 1974	£5.1m
Jan.-April 1975	£12.6m
UK imports	
1974	£166.0m
Jan.-April 1974	£51.1m
Jan.-April 1975	£45.3m
Development expenditure	
1975	$450m
1974	$180m

Currency
£1 = 8.73 Qatar Riyal
$1 = 3.85 Qatar Riyal
(as at 23 June with £1 = $2.27)

Who supplies Qatar?

	1970	1971	1972	1973	1974
UK	24.2%	37.5%	26.4%	27.5%	14.1%
Japan	9.3%	10.5%	12.5%	11.1%	17.8%
USA	10.1%	9.7%	10.4%	10.3%	10.2%
France	3.9%	2.4%	8.3%	4.9%	2.6%
Lebanon	6.5%	5.5%	6.9%	5.7%	6.3%
West Germany	5.5%	4.5%	5.2%	5.4%	6.1%
Total imports each year	£26.7m	£44.9m	£57.3m	£78.0m	£116.6m

QATAR
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nearly £13m for January to April, they were more than double the figure in the same period of 1974. Running at this rate they might even reach £40m this year.

Certainly there is ample evidence that more British firms are giving the market their attention – this Embassy has dealt with more business visitors during this winter season than ever before. And I think the experience of these visitors is that the effort is worthwhile – certainly a lot of them seem delighted that many of their competitors on a Gulf sales tour choose to fly non-stop between Bahrain and Dubai. Don't make the same mistake!

Come and see

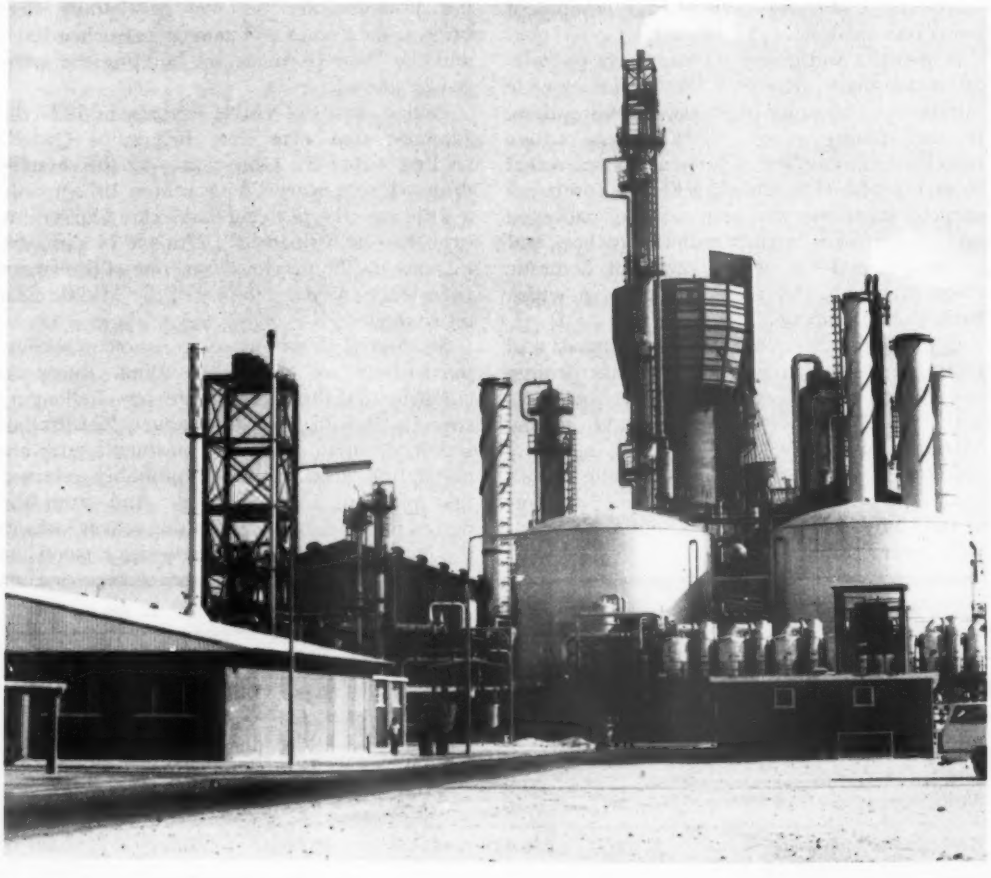
A four or five days' visit to Qatar will obviously be valuable in giving the insights into local market conditions that no amount of backroom research can replace. That, incidentally, is not an argument against thorough preparation before you book your flight! But above all, the visit will be worthwhile in enabling you to make the personal contacts – in government and commerce, – that are, in this market, the best recipe for success.

It's not just that personal contacts are the best channel for information. Overall, Qataris rely very much on the personal friendships they develop with business partners. And as elsewhere in the Gulf, Qataris prefer to have their own separate commercial agencies – indeed, local law requires a Qatari to be a partner or sponsor in almost all the activities in which overseas concerns are involved. So again, building good personal contacts and relationships will bear fruit.

Of course, that's not the be all and end all of approaching this market. The Qataris put great emphasis on thoroughness: as elsewhere, the bureaucratic procedures an exporter or contractor faces can be complex and time-consuming. So the answer is to be equally thorough and just as patient.

It's worth the effort, for anyone dealing with this market will find a genuine goodwill and a genuine desire – both in the Qatari Government and the private sector – to help with any problems that arise.

All in all, I think you will enjoy doing profitable business with the Qataris. So don't overfly them.



The £26 million Qatar Fertiliser Company plant at Umm Said produces 1,000 metric tons of ammonia and 900 metric tons of urea each day. Main contractors were Davy Powergas and the Consultants Gibb Ewbank.

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UNITED ARAB EMIRATES

A special relationship

Donal McCarthy
British Ambassador, UAE

The United Arab Emirates (UAE), the independent state formed in 1971 by the federation of seven Trucial Sheikdoms, or Emirates, had previously been under British protection. This is not the only advantage we enjoy. For over a century the relationship with Britain has been friendly. People are accustomed to the British and until recent years scarcely knew other Europeans or Americans and Japan was totally unknown. English is the second language. And sterling has long been used, even though oil revenues are denominated in dollars.

The Emirates are essentially city states with most of their population of less than half a million concentrated in the towns of Abu Dhabi (about 60,000), Dubai (90,000), Sharjah (50,000), Ras al Khaimah (35,000) and Abu Dhabi's inland city of Al Ain (15,000).

By far the biggest Emirate in both territory and oil income is Abu Dhabi. Oil production (up to 1.4m bpd in 1974) has made it the financial centre, while Dubai's more recent and modest oil production, reaching some 290,000 bpd in 1974, has reinforced its position as a commercial, industrial and entrepot centre.

Last year Abu Dhabi's net oil income came to some $3.5 billion while Dubai's was some $600m. Sharjah's current annual income from off-shore oil is around $60m, of which 30 per cent goes to the smaller state of Umm al Quwain.

The big year was probably 1974. Oil income in real terms will not equal this for the next few years, unless prospecting leads to the development of new oilfields, and may well fall marginally. Nevertheless, an oil income of, say, $3 billion net in 1975 would leave Abu Dhabi with a figure of perhaps $33,000 per head and Dubai with about $6,600.

Despite the pell mell pace of development, the machinery for financing commercial activity has become sophisticated more speedily than in some countries with a longer history of oil wealth. The UAE Dirham is strong. The Currency Board quote forward in various currencies and have been instrumental in extending Dirham loans to foreign public authorities, sometimes against guarantees from the governments concerned. In addition to the National Banks of Abu Dhabi, Dubai and other local banking institutions, trading banks from many other nations are widely established; indeed, the Currency Board have declared a moratorium on the opening of new foreign banks in 1975 and 1976.

Financing British commercial activity should not present any difficulty given the wealth of the country, the facilities it offers, interest rates lower than in the United Kingdom, plus ECGD cover on the normal terms.

Pattern of development

Extensive though reserves of oil and gas are, the UAE is anxious to diversify and develop industrially before they are depleted. Since oil wealth came to the UAE later than elsewhere, the pace is being forced even faster than it was, earlier, in countries like Kuwait and Saudi Arabia.

All this in a country where unification is new and where most of the constituent economies were previously both poor and simple. While the traditional 'sheikhly' form of government can adapt itself to the new requirements, it is harder in the short term to develop administrative and other infrastructure in pace with events. The comparatively few competent and trained local administrators bear a heavy load; and at all levels the state has become heavily dependent on expatriates, ranging from labourers to managers of national economic enterprises who include British, Egyptian, Iranian, Pakistani, Indian and other Arab nationals. This expatriate influx has been absorbed with remarkable ease.

So far, priority has been given to developing the infrastructure – ports, airports, roads, power and desalination plant, schools, hospitals and housing. The state's participation in oil exploitation has now become dominant, and in Abu Dhabi the Abu Dhabi National Oil Company (ADNOC) has been given responsibility for future secondary operations. A scheme for the use or liquefaction of Abu Dhabi's off-shore gas is already well on the way to completion and another for Dubai has been agreed. ADNOC are considering the commissioning of feasibility studies and plans for what amounts to a comprehensive new oil centre at Jebel Dhanna. This would embrace refining, petrochemicals, gas liquefaction and export.

It might include a steel mill and other industrial facilities and it would require the construction of an entirely new town. At its fullest, the concept could involve not less than £1 billion.

Comparable developments, though on a smaller scale and so far on the basis of semi-state companies involving either concessionary or equity terms for foreign participation, have either been started or are being considered in the Northern States of Dubai, Sharjah and Ras al Khaimah.

Throughout the Emirates, increasing attention is being paid to housing and health facilities, and to agricultural development, a process which is likely to depend increasingly on the desalination of sea water.

With the construction boom has grown an extensive market for capital goods – in particular equipment like power generators, desalination plant, prime movers, pumps, piping and electrical cables of all kinds. The market for household fittings and furnishings has developed in pace with the increased emphasis on housing. Since modern housing, chiefly of concrete blocks, lacks the insulation qualities of traditional housing, there is an extensive market for air conditioning equipment and a market for the more sophisticated forms of insulation could also develop from now on.

Vehicles have played a crucial part in development. In the cross-country and commercial vehicles sector, there has been a heavy demand for British three-ton trucks and four-wheel drive vehicles. Unfortunately, Britain has been unable to meet more than a fraction of the demand.

British business has impressive achievements to its credit, particularly in major construction projects in Dubai. Individual British firms enjoy a high reputation which in many cases here secures the continuation of their commercial interest.

But these successes mask some adverse tendencies. In some rapidly expanding sectors performance has been inadequate or frankly bad. This engenders a climate in which even the prospects of firms who perform well can be damaged.

With many established firms heavily committed some comparatively new exporting nations have found it easier to meet local demands quickly. As the experience and capacity of Middle Eastern firms grew, they were bound to secure an increasing proportion of construction contracts among all but the largest projects or those involving advanced technology. We have to expect, correspondingly, that a higher proportion of our opportunities than hitherto will arise over components and materials as distinct from overall projects.

There has been a natural tendency for the UAE to 'shop around'. In some sectors we may find it hard to compete – for example, cheap electronics – but there are wide sectors of manufacturing and consumer goods activity where we should be able to do better. A greater proportion of the market can still be won if certain important conditions are met and improved practices adopted.

Sources of help

Firms approaching the UAE's markets for the first time, or seeking to improve their existing arrangements, must do their homework before they come.

Secondly, firms should consult the Commercial Secretary at the British Embassy in Abu Dhabi or Dubai – providing at the outset details of the firm's interest, intentions and any previous experience in the area.

If a firm is approached by anyone who claims to be influential in the UAE, it is important to consult the Department of Trade or the Embassy before committment. An agent well placed in one Middle East country is not necessarily effective in another. As a general rule, an agency or possible partnership is best arranged with a UAE national (especially as there is draft legislation, which may be adopted in whole or in part, which could restrict agencies and partnership to UAE nationals); or with a firm or individual known to be well established and well thought of in the UAE.

Banks can be valuable sources of information. At present the British trading banks are the British Bank of the Middle East, the Chartered Bank, Grindlays Bank, and Barclays International in Abu Dhabi and Lloyd's International in Dubai. Various merchant banking houses are also active in the country.

The right approach

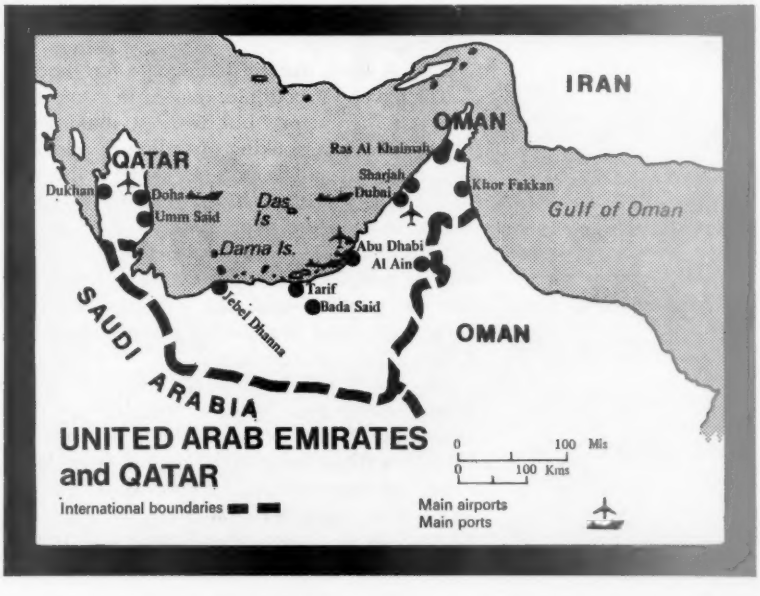
The UAE is impatient to employ its new wealth for comprehensive development. But it has been submerged by people seeking to exploit the opportunities created by that wealth. This has threatened to overwhelm both Arab businessmen and Government departments, and led to growing caution before becoming committed to major deals.

Despite the pressures on their time, the

UNITED ARAB EMIRATES

Population	210,000
Gross domestic product (1972)	$740m
Income per head (1972)	$3,220
UK exports	
1974	£96.9m
Jan.-April 1974	£19.7m
Jan.-April 1975	£52.9m
UK imports	
1974	£206.1m
Jan.-April 1974	£56.1m
Jan.-April 1975	£48.6m
Development expenditure	
1975	$704m
1974	$260m

Currency
£1 = 8.99 UAE Dirham
$1 = 3.95 UAE Dirham
(as at 23 June with
£1 = $2.27)



UNITED ARAB EMIRATES
A special relationship

country's businessmen and officials like to see personally those with whom they may deal. They rely greatly on their judgement of individual character. Even if they are in a hurry over a business proposition, they are unlikely to rush its actual negotiation. One-off or fleeting business visits are no good. It may take several meetings with plenty of time left for coffee and the invetiable interruptions to establish the mutual confidence which is essential.

It pays to adapt to the requirements of the market even if in the short term it can involve considerable outlay of money, time and patience. For example, businessmen must allow for services of the only airline in the Gulf with full traffic rights to be several hours late or cancelled entirely.

The speed of evolution in political and financial terms has exceeded the pace of social and administrative adaptation. One by-product of this is the widespread practice, despite laws and regulations to the contrary, of percentages for the influential, sometimes claimed by those whose influence is more pretended than real.

There are also irregularities over tenders – one firm sometimes being allowed to negotiate in knowledge of other firms' bids. The authorities are seeking to improve matters. Meanwhile, the short answer on such problems is to choose a good local agent or partner.

Points to watch

It will shortly be vital for British firms to offer keener prices, to keep proposed escalation provisions within what local customers can tolerate, and to be flexible over payments. It does not, for example, seem reasonable to a local purchaser that he must pay 90 per cent or 100 per cent of the price of his order before he sees any of it.

It is even more important to improve delivery performance. Dates offered by most of our manufacturers are longer than those of our competitiors. More important, slippages in delivery dates have been so common that the market has come to think that British delivery dates always slip.

This is often due to inadequate forethought. Firms have, for example, quoted delivery dates as from the factory but without making this clear, either overlooking or failing to add shipping time, fitting out time ex-factory, the lock-out time at the docks before a ship sails, or the delays at Gulf ports, particularly if the ship is calling at several of these and especially during and after Ramadhan (September). Depending on the product and the circumstances, air freight and land transport (25 days from UK to UAE) should be considered.

In many cases, a purchaser will accept British goods even with a long delivery date, because of quality or price. But if he is then let down on whatever timing he has been led to expect he may not buy a second time. Delivery dates also create financial difficulties for purchasers. It costs money and interest charges to extend a Letter of Credit (particularly where there has already been a high proportion of payment on account).

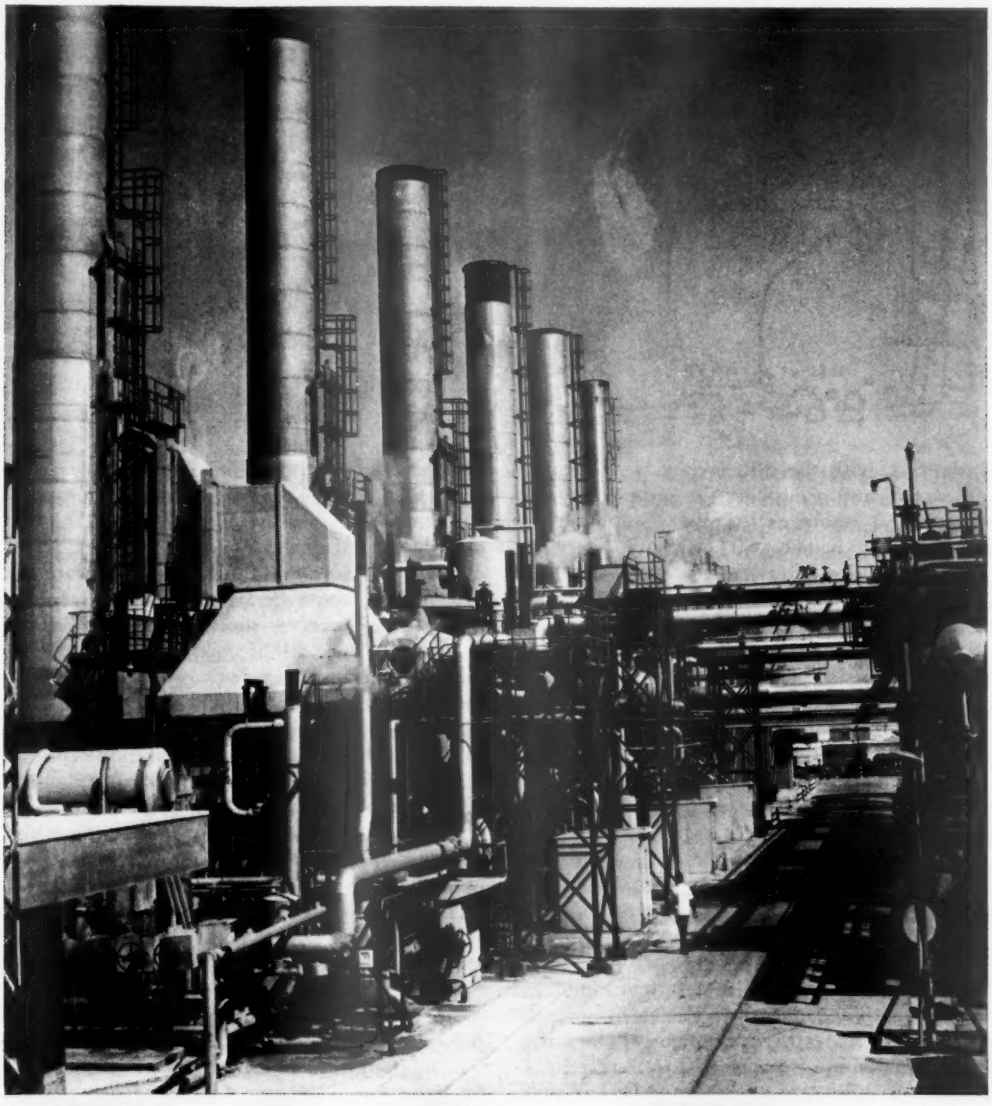
A frequent complaint against British firms concerns correspondence – or lack of it. Letters of Credit sometimes have to be renewed without any indication of delivery date by the British supplier. Inquiries about purchases, spare parts, and so on are too often left unanswered, or answered belatedly and casually, and delivery slippage is only notified after the customer has been forced to ask what is happening. Conversely, failure to reply or very brief replies from Arab firms does not necessarily mean lack of interest. It often reflects preference for personal contact.

Spares and service back-up are extremely important. Heavy dependence on expatriate mechanics means that back-up by supplying firms is an important consideration for the purchaser. In the case of major contracts involving advanced technology, it is often important for a tendering firm to offer British or British-trained staff. Even when the invitation to tender does not specify this requirement, it is well worth considering whether an offer should be made, perhaps as a separate submission. Any firm engaged in major construction or in projects involving high technology can only gain if it can express its readiness to run a training programme for UAE nationals, or for other non-British expatriates whom the Government may expect to employ on the project.

In certain sectors, it is becoming advisable – though not yet mandatory, as in some other countries in the region – to form a local partnership rather than to appoint an agent. Such arrangements vary. In some cases the local interest is quite prepared to put up most of the money (the British financial stake being in essence a token of committment) in return for the British partner's expertise or backing.

Or it can be a question of calculating advantage. A firm which is prepared to enter into a local partnership is likely to have the competitive edge over a firm not so prepared. And in Abu Dhabi state, as distinct from the Federation, a recent regulation provides that where a local interest holds 51 per cent or more of a joint company or project, it will, in the case of Government contracts, be entitled to claim 25 per cent of the contract price on conclusion of the contract.

Market conditions have in the past put off many British firms. Negotiation can be difficult. Profit margins have been slim and irregular. Practices over tendering have discouraged firms from competing. Against that, three things have to be said. First, the UAE and state governments want British business to participate. Second, they have been seeking to remedy some of the practices which have constituted disincentives. Third, the UAE is an important growth market, in which our competitors manage to make profits. We, unlike some of our competitors, enjoy a built-in goodwill here, and a continued effort will prove worthwhile in the long run.



◀
The waste heat boilers and desalinisation plants at Abu Dhabi Power Station. It is equipped with John Brown (Engineering) Ltd. gas turbines and Weir Westgarth desalinisation units. Original consultants were Ewebank and Partners.

The technical services at Abu Dhabi International Airport, used regularly by British Airways and other international airlines, are operated by International Aeradio Limited. ▼

INDONESIA
The awakening giant

Michael Pentreath

Indonesia, with the fifth largest population in the world, and occupying the same position in the natural resources league, is set on a fast development course. Sir Michael Clapham, back in London after leading a powerful CBI Trade and Investment mission there in April and May, described her development plans as 'fabulous'. Indeed, practically everyone who visits Indonesia from the west comes back delighted by the potential of the place, the charm of the people, and the intensive cultivation of the countryside.

Agriculture is, and will remain, the mainstay of the Indonesian economy. Some 60 per cent of the workforce is engaged in it, and last year it accounted for 40 per cent of the gross domestic product. Rice is the most important single crop, the 1974 harvest being estimated at 15m tons. Yet the continuing increase in population (estimated at 2.6 per cent per year) forces Indonesia to import rice at a rate of some 1½m tons a year. The Government is encouraging the expansion of rice estates, particularly in Sumatra. Sugar production is expected to increase by 37 per cent to 1.3m tons a year by 1979, and there are plans for expansion of the tea, tobacco, spices, rosella and palm oil crops. Cattle ranching has begun, but a great deal of scope remains, particularly in Sulawesi. Most of the fish landed is consumed locally and the Asian Development Bank have recently made a loan available for fishery expansion. The yields of Indonesia's two largest non-oil revenue earners – timber and rubber – are now improving.

Oil is the mainspring of Indonesia's impressive progress so far. Japan is by far her biggest customer, and oil is sent too to other industrialised countries in Asia. Latest production figures show an average extraction rate of 1.4m barrels a day. Indonesia's net oil earnings are now running at over $5 billion a year, and with her present reserves and production facilities in East Kalimantan, Irian and other areas, she should be able to maintain her present level of production for at least the next 25 years. New discoveries could extend that period considerably.

There is much mineral wealth to be developed; major supplies of natural gas, massive bauxite reserves, nickel, tin, gold, silver, copper, ironsand, manganese and coal have all been discovered, and some are being exported in modest quantities. Britain is helping to pay for the first ever geological survey of North Sumatra, while elsewhere in Sumatra a huge new coal seam has been found, and a British company is involved in the plans for its extraction.

Development plans

High oil revenues and steady returns from agriculture and minerals do not, however, make for all-round affluence. With a population of 124m, income per head is less than $100 per annum, one of the lowest in Asia. The Indonesian Government is determined to change this situation and has put the rapid economic development of the country at the heart of all its policies.

The Second Five Year Plan, which runs from 1974 to 1978, places great emphasis on the social, regional and employment aspect of development, and envisages total expenditure of $11,600m. Earlier this year President Suharto presented his (balanced) 1975/6 State Budget which included a development element of $2,780m – an increase of some 54 per cent on last year's figure. Much of the cost will be met from domestic revenues but there is a continuing need for credit to finance the extensive development programme conceived. The improvement in Indonesia's foreign exchange revenue deriving from increased oil prices has enabled the Government to contemplate commercial borrowing instead of relying essentially on aid and has permitted the Export Credits Guarantee Department to consider additional cover for Indonesia. The most important of the new development schemes include:

1 A $700m telecommunications project, including the modernisation and quadrupling of the telephone service. Of this, the British company BICC won a $125m share for telephone cable supply and installation.
2 Equipment for road construction, irrigation and land reclamation (the Indonesian Government have accepted the ECGD offer of a £20m line of credit for the purchase of the equipment).
3 New highways and bridges, the bridges alone being valued at over $140m.

4 An increase of over 1,000MW in electricity output (mainly steam and gas turbines, and diesel generating sets).

5 Development of radio and tv, $70m.

Low cost housing, which could be valued at $5,800m, and additional cement plants worth $280m also find a place in the plan.

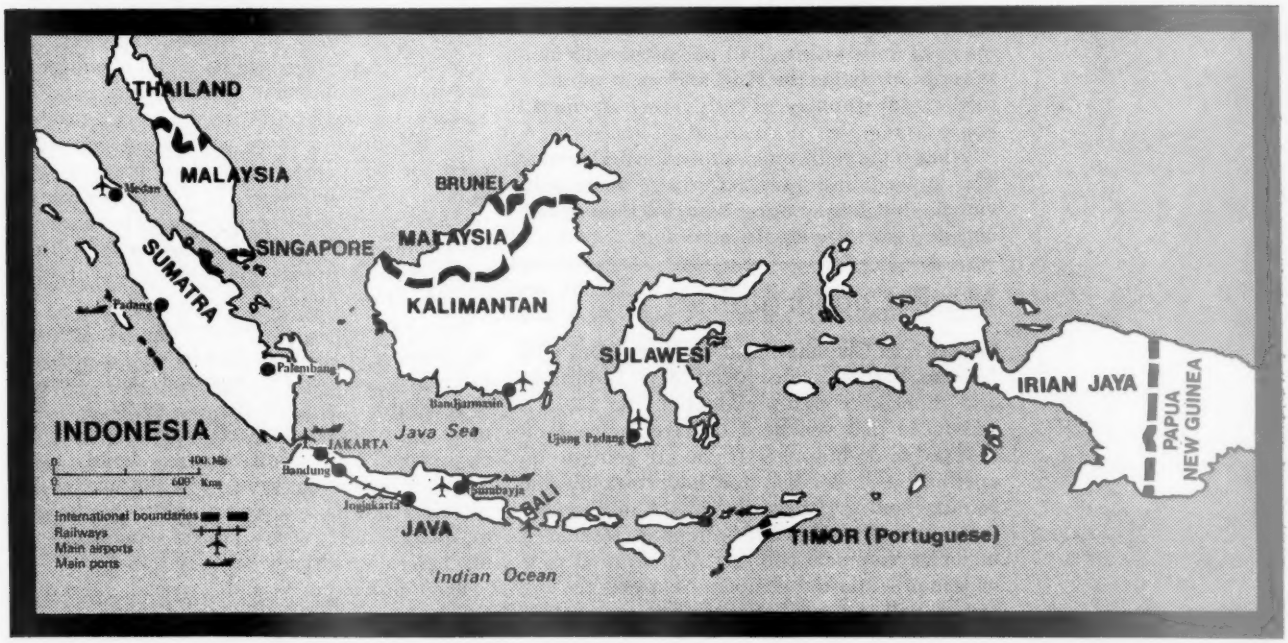
Some very large projects have been started or are planned by Pertamina the state oil company, including: two liquid natural gas plants ($2,900m), five fertiliser plants (over $1,950m), rice estates development ($140m), Krakatau steel plant (over $2,000m), an aromatics plant ($418m), Batam Island industrial estate ($460m), and an extension of the air fleet, which already consists of over 100 aircraft and helicopters.

Scope for Britain

British exports to Indonesia are doing extremely well. Last year sales amounted to £47m, an increase of nearly 40 per cent on the previous year. So far in the first four months of this year, exports to Indonesia have amounted to £23m, which is a growth of no less than 70 per cent over the same four months of last year. There is no doubt that Indonesia wants to do more business with Britain and other European countries, and avoid over-reliance on the USA and Japan. Recent British successes include a £500,000 contract to the Reliant Company for the supply of chassis for Jakarta's mini-taxis and a substantial order to A. and W. Smith for sugar factory equipment.

The economic climate for investment in Indonesia is generally good. The Government has shown determination and skill in controlling the economy, and it welcomes foreign investment in the right fields. The Government expects that within 10 years of the inception of any foreign joint venture, the share should be at least 51/49 in favour of the Indonesian partner; at present the level of local participation is determined on the merits of the project.

Existing British ventures include ICI through its paints, pharmaceutical and pesticides divisions, British American Tobacco, Unilever, Chubb Locks, Tootals, and Arcon, a subsidiary of Taylor Woodrow. Added incentives for further British participation are a double taxation agreement, at present awaiting ratifi-



INDONESIA
The awakening giant

cation, and an investment protection agreement now under discussion.

Eric Deakins, Parliamentary Under-Secretary of State for Trade, said after his visit to Indonesia earlier this year 'British goods are highly regarded for quality, and British consultants have an excellent reputation. There is a genuine welcome waiting for British businessmen.'

How to tackle the market

How should the British businessman who does not know Indonesia begin to tackle this market?

The first thing he should do is to brief himself as fully as possible on market conditions. The CBI Mission report, which will be available shortly, contains a good deal of valuable information. The export services of the British Overseas Trade Board are also ready to provide a great deal of up-to-the-minute information.

The British Embassy in Jakarta received more than 1,000 British businessmen last year who sought the help of the Government's export services. The Embassy was glad to receive them, advise on introductions and brief on the complications of the market.

Yet a strong impression among British embassy staff at the end of that year was that too many of those visitors had not prepared themselves properly for the visit, and spent too little time in the country to justify the expense of going there.

What is the right time to spend in Indonesia? The answer must vary according to the individual – but five working days, excluding time outside Jakarta, is usually advisable.

Market opportunities

Sir Michael Clapham, leader of the recent CBI Mission, chairman of Imperial Metal Industries, and immediate past-president of the CBI, is convinced that you need to have someone on the spot to do business. 'If you are going to do anything in Indonesia, you have to know the country and get the right advice in choosing local partners. For any company seeking a major development contract, you do need your own man – and the company that gets the big orders will be the one that puts together the most attractive package to finance them.

'I had been to Indonesia several times since 1962 and this time I was struck by the increase in confidence and sophistication among the Ministers and civil servants I had known before.'

Sir Michael feels that, now it is assured of its eventual wealth and of other nations' desire to have access to it, and now that it is relieved of the desperation of its abject poverty of 10 years ago, the Indonesian Government is not letting the smell of oil go to its head.

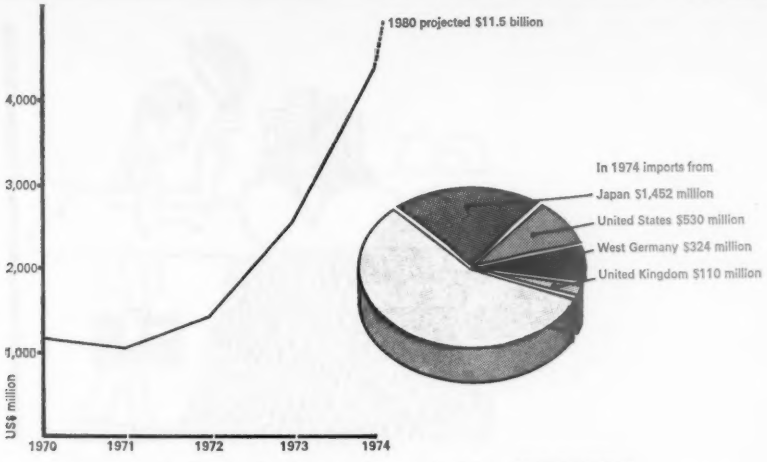
'Capital goods form the bulk of their shopping list – goods to rehabilitate some parts of her agriculture, to improve education and training and communications by land, sea, air and satellite. They will buy these where they can get them cheapest and best, and to keep up the pace of development, they will use every penny they can get from inter-governmental aid, international institutions, export credit guarantees, and, not least, from foreign direct investment.'

George Bishop, chairman of Booker McConnell and deputy leader of the recent Mission, took a particular interest in the agricultural prospects for British firms. 'There is a need for up to 12 new sugar factories which provides a major opportunity for British exporters,' he reported. 'And there will be useful openings for rice milling equipment, grain drying, handling and storage facilities to maximise rice production. In addition there will be an increasing need for pesticides, weedkillers, fertilisers and animal health requisites. If the momentum of the food production programme is to be maintained, there may well be a need for consulting, technical and management services with skill in tropical production.'

John Howard, vice-chairman of Howard Machinery, of Ipswich, studied the agricultural machinery sector. He reported that there is considerable scope for the sale of such equipment as small pumping sets, knapsack spraying equipment and good quality hand tools. 'Heavier equipment sales, such as tractors, implements and harvesting equipment are limited to plantations, where useful quantities of machinery are already being purchased.'

Food processing was the special interest of Garry Muter, co-ordination director of Im-

Indonesia's imports 1970-74



perial Foods, Norfolk. He believes that British food processors ought to give early and serious consideration to the possibilities of Indonesia both for investment and technology transfer. Two British firms with food interests have recently invested in Indonesia, and are actively considering a further investment. Mr. Muter also attached considerable importance to the strategic planning of the fish processing and distribution potential.

Charles Davidson, group commercial director of Lucas Industries, Birmingham, found there had been little development so far of indigenous motor car component manufacture, and it would not be easy to develop it until the variety of cars now being assembled there from knocked down kits was rationalised. 'When that time does come there will be good opportunities to deploy the many technical skills in which the motor industry in Britain is particularly strong,' he reported.

Marine and light engineering opportunities were very great indeed, according to James Mullins, director of development, Perkins Engines, Peterborough. 'Indeed, without substantial investment in light engineering the attainment of the second plan goals will be difficult.' He noted that only 7,000 of the country's 285,000 fishing craft were mechanised, and there was obvious scope for sales of marine engines.

Bruce Lloyd, senior investment manager of Commonwealth Development Finance, studied mineral development and reported that several British firms were among those already engaged in developing nickel, bauxite, coal, copper and other minerals. He thought there were plenty of opportunities for anyone not yet established and for British mining equipment.

Ray Gomersall, chief officer special duties, British Railways Board, studied the railway system and reported on three main opportunities for the railway supply industry and transportation consultants. Firstly, there is a rehabilitation programme for the state railways, currently totalling about $160m and funded by the International Bank for Reconstruction and Development. Track and bridge renewal will absorb about half the loan, the remainder being used for locomotives and rolling stock. Secondly, a programme is likely to be announced this year for the rehabilitation of plantation railways, including conversion to 3 ft. 6 in. gauge in some areas. Finally, a new railway is planned from the South Sumatra coal project to the nearest port.

Robin Gray, chief executive of Swan Hunter Project Services, saw exciting potential in the shipbuilding area. 'The top priority construction of 100,000 tons of inter-island shipping, of which 45 ships are to be built abroad and are not yet committed to any particular country, offers opportunities for British shipyards and marine equipment suppliers. The total value of marine projects open to us is valued at over $350m in the five-year plan.'

Mr. Gray also noted that foreign participation was required to develop the dockyards.

The scope for British engineering consultancy was studied by Jeremy Short, director of the Manderstam Group, London. 'Road improvement, bridges, irrigation and water, and power generation in particular are key sectors, together with all types of building. Low cost housing schemes are now receiving special interest. Plans are also under way for the purchase of many types of construction equipment,' he reported.

Merchant banking, investment and finance matters were studied by Herman van der Wyck, director of Warburg's. He reported: 'Although the Indonesian balance of payments and reserves position is strong following the increase in oil prices, the country will require a substantial inflow of foreign capital to sustain the present high rate of growth. There will therefore be a continuing requirement for funds from abroad in the form of governmental aid, loans from the World Bank, export credit facilities and foreign private investment.

'Foreign investment is encouraged in nearly all areas of the economy and depending on the size of the project, investment from abroad usually takes the form of a joint venture with the Indonesian public or private sector. In the latter, initial indigenous participation can vary from 10 per cent for very large projects to say 30 per cent for medium sized investments on the understanding that within five to 10 years Indonesian control is achieved.'

INDONESIA

Population	124 m
Gross domestic product (1973)	$15,500m
Income per head (1973 est)	$89
UK exports	
1974	£46.7m
Jan.-April 1974	£13.4m
Jan.-April 1975	£23.1m
UK imports	
1974	£14.4m
Jan.-April 1974	£5.4m
Jan.-April 1975	£3.9m
Development expenditure	
1974-78	$11,750m
1969-73	$3,330m
Projected GDP (1980)	$23,250m
Projected income per head (1980)	$165
Projected imports (1980)	$116
Currency	
£1 = 943 Rupiah	
$1 = 415 Rupiah	
(as at 23 June with £1 = $2.27)	

ECUADOR
Head in the clouds, feet on the ground

Guy Nissen

I should have listened to the stewardess. 'Take it easy' she had warned as I left the 'plane the first time I visited Quito. 'Get used to the altitude first. Don't rush things.'

But there I was, breakfast inside me and one of the world's lesser known capitals waiting to be explored. A city rich in history, set nine and a half thousand feet up in an Andean basin, surrounded by snow-capped peaks. I didn't hang about!

The lightheadedness I felt that morning turned to breathlessness and then giddiness. By lunchtime I was in bed sleeping off my oxygen debt and adjusting my schedule. A couple of hours later I was able to set off at a more measured pace.

It's appropriate that this happened where it did, because it provides an analogy with what has been happening in Ecuador in the 1970s.

Worth more attention

For decades Ecuador was underdeveloped even by South American standards, almost entirely dependent on agriculture for its livelihood.

Then, in 1972, the discovery and export of oil transformed Ecuador's economic prospects. A five-year development plan was cast, with the aim of 'ending economic underdevelopment, social injustice and political dependence'. Under the Plan, projected investment between 1973 and 1977 was about $2,550m.

In 1973 Ecuador found herself with the fastest growing economy in Latin America. At 14.5 per cent she even headed Venezuela and Brazil, although, of course, starting from a much lower base. The same year, although a relatively small oil producer, Ecuador joined OPEC and elevated her importance on the international stage.

The worldwide increase in oil prices brought the prospect of substantially higher oil revenues than expected. Amid general euphoria special plans were drawn up to spend the additional income.

The focal point of the plans is the National Development Fund which will finance a list of high priority industrial, agricultural, social and infrastructure projects valued in total at over $365m. The dizzy heights began to tell in 1974. An inflation rate of 23 per cent compared with 10 per cent in 1973 proved a strain. Largely due to difficulties in marketing Ecuadorean crude oil at OPEC prices, oil exports showed a drop on 1973 and fell well short of the target for the year.

In effect, Ecuador is now in a period of acclimatisation. She has ambitious development plans, but the pace at which they can be realised is less certain. She still has her oil. However, commercial exploration for new fields has virtually ceased and the lack of success in managing and exploiting known reserves continues to present problems.

Another hope for Ecuador's future prosperity lies buried in the Andes. Discoveries to date indicate quantities of gold, copper, molybdenum, uranium, silver, lead, iron, zinc and asphalt. But the physical problems of large-scale exploration and exploitation presented by the terrain are formidable.

In the words of Eric Deakins, Parliamentary Under-Secretary of State for Trade, who visited Ecuador in April this year, 'Development prospects in Ecuador are good if her financial problems can be resolved. British firms should be encouraged to pay more attention to the market, especially by the provision of managerial and financing expertise plus technological know-how.'

Development priorities

When considering which development projects offer the best prospects to UK firms it is worth remembering certain advantages Britain enjoys. Ecuador is anxious to reduce the economic dominance of the United States. English is the second language after Spanish and a great deal of goodwill towards Britain is evident. But, most important, we are expert at putting together the sort of financial packages Ecuador looks for.

Top priority reflected in the Five-Year Plan is social development. A lot of money is to be spent in sectors where Britain enjoys a worldwide reputation. Investment totalling nearly $1,100m is scheduled in housing, the public utilities and social services.

Ecuador's determination to modernise her social and economic infrastructure is endorsed in the additional items identified by the National

Development Fund as high priority projects – hospitals ($37m), schools ($25m), telecommunications, ($16.7m) irrigation ($44m), and railways ($12.8m).

The shortage of electrical energy, particularly outside the large towns, presents an obstacle to industrialisation. To overcome this, the National Electrification Institute (INECEL) has drawn up a National Electrification Plan. The total cost of over $1,500m will be financed partly by oil revenues and partly by foreign loans, including help from the Ministry of Overseas Development.

Also high on the list of priorities is the agriculture, livestock and fisheries sector. Particular attention is to be paid to flood control, irrigation and land clearance, increased mechanisation and the development of the agro-industrial approach – the integration of all aspects from field through processing and marketing to supermarket shelf.

During his visit, Mr. Deakins emphasised to Ecuadorean Government leaders that the United Kingdom has the most efficient agriculture in the world and could offer a wealth of expertise in processing cereals and intensive livestock production, agricultural machinery and in the processing and marketing of fish and fish products.

Mr. Deakins welcomed the suggestion that British firms might be interested in opportunities offered by the general plan for accelerating the development of the fishing industry. Large sums are likely to be spent on shipyards for the construction of fishing vessels, fishdocks and fish processing capacity. Ecuador also hopes to develop a countrywide fish distribution system and needs help in training local labour in the fish industry.

Greater industrialisation

Naturally, industrialisation features strongly in Ecuador's short and long term plans. Hundreds of millions of dollars are earmarked for petroleum refining, pipelines, petrochemicals, steel and industrial plant for canning, paper, electrical equipment and construction materials. A major plan for establishing a shipbuilding industry is being discussed.

However the nature and extent of future industrialisation depends to an extent on decisions to be made by the Andean Pact, the 'Common Market' comprising Ecuador, Bolivia, Chile, Colombia, Peru and Venezuela. A feature of the Pact's harmonisation policy is the joint programming of industrial development, with responsibility for particular industrial sectors being allocated country by country.

The message from one British businessman in Guayaquil, the main sea port and commercial centre, was clear enough. 'The Andean Pact must sort out which industry is to be centred where, before UK businessmen can reasonably be expected to invest.'

Ecuador has already been allocated part of the light metalworking industry programme, but as an oil producer Ecuador is keen to develop a petrochemical industry and hopes that

ECUADOR	
Population	7m
Gross domestic product (1973)	$2,336m
Income per head (1973)	$355
UK exports	
1974	£13.6m
Jan.-April 1974	£3.5m
Jan.-April 1975	£5.9m
UK imports	
1974	£2.2m
Jan.-April 1974	£0.67m
Jan.-April 1975	£0.74m
Projected imports (1978)	$1,228m
Currency	
£1 = 57 Sucre	
$1 = 25 Sucre	
(as at 23 June with £1 = $2.27)	

ECUADOR
Head in the clouds, feet on the ground

part of this programme will go her way too. In fact decisions on which countries will take on responsibility for motor vehicles, petrochemicals and fertilisers have to be taken by 31 December 1975.

Foreign investment in allocated sectors would be welcome, particularly in joint ventures, which might often mean a partnership with an Ecuadorean Government agency.

Any company considering investment in Ecuador needs to study carefully the Andean Group's 'Decision 24', which each member country, including Ecuador, has adopted. The decision provides for a common treatment of foreign investment, remittance of profits, trade marks, transfer of technology and so on. There are, however, differing interpretations by the members of the group, but the recent CBI mission to Ecuador considered that the rules were being applied flexibly.

Consumer goods

Opportunities for consumer goods sales have traditionally been limited. But as the spending power of the Ecuadorean middle classes increases, this market is bound to grow and merit more attention.

Some of Britan's competitors do worthwhile business in consumer goods by shipping through the Colón Free Zone, the duty-free industrial estate on Panama's Atlantic coast. Here bulk can be broken so that goods and documentation can be rapidly despatched to meet the differing requirements of the Latin American countries.

The outlook

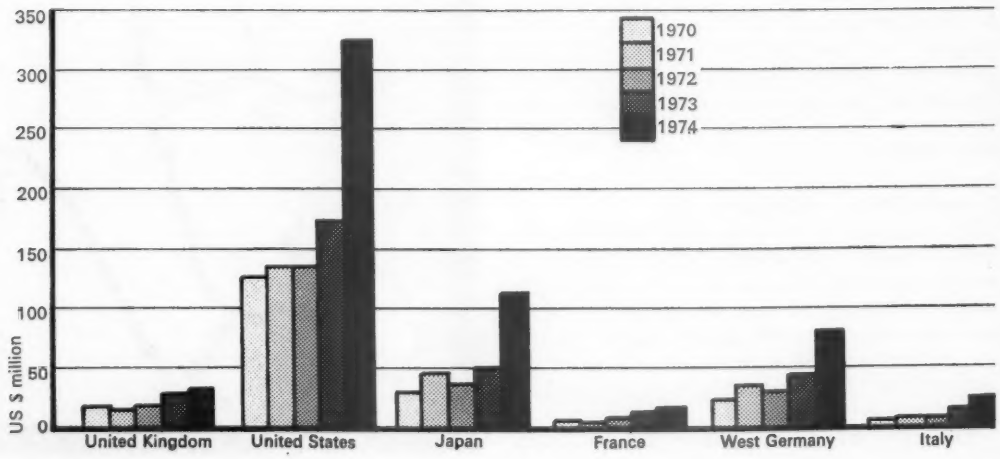
So how can the potential Ecuador offers the UK businessman best be summarised?

Ecuador still has growth, although it is lower than it might have been. But in the context of a world recession, Ecuador could be said to be enjoying a relative boom.

There is great scope for consultancy and project management, fields where the UK has a world-wide reputation for skill, integrity and impartiality. As reported by this year's high-level CBI Mission to Ecuador, our principal trade is, and will in future be, in joint ventures, capital goods and the transfer of technology. We must seize the notable opportunities in mineral extraction, agro-industry and fishery projects, electrification, irrigation, gas processing and shipbuilding.

But most fundamentally, we must dispel the widespread impression that Britain has turned her back on Ecuador's market.

Main OECD countries' exports to Ecuador



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VENEZUELA
So little time, so much to do

Gillian Samuel

In the 19th century, British enterprise – money, men and capital – provided the greater part of all external economic assistance in Latin America. And British technical, financial and managerial skills are still contributing to Venezuela's development.

Yet, for all that, Britain's commercial stake and influence in the country is now disappointingly small. Britain follows the USA, Japan, West Germany, Italy, Canada and France for a share of the market in this the richest of Latin American nations and third largest of the world's oil producers.

New era

Now the oil price boom has opened the door to a new era of opportunity for all aspects of British trade and technology in Venezuela. And these prospects have been enhanced by the increased inter-governmental contacts of the past few months, starting with last September's visit by Peter Shore, Secretary of State for Trade.

After over 40 years as a major oil producer, Venezuela is one of the OPEC countries best placed to utilise the massive inflow of funds. Today the country is endowed with a strong government, a sizeable population (11½m), the highest income per head ($2,100) in Latin America, and a bustling Westernised society with a relatively advanced financial and commercial infrastructure and significant industrial base.

Absorbing the surplus

Venezuela has, therefore, most of the basic equipment to achieve an accelerated programme of economic development. But last year's inflow of $10,000m in oil revenues – four times the amount needed for the country's budgetary expenditure – is more than even Venezuela can take in at present. The Government is endeavouring to prevent demand inflation by channelling excess revenues into investments outside the country.

Last July, Venezuela set up a special Investment Fund with half of her oil revenues. Considerable sums have already been directed to a number of international agencies including the Inter-American Development Bank, the Andean Development Corporation and various UN and IMF facilities. The Fund will also help finance the foreign exchange element of Venezuela's major capital development projects and provide compensation for the owners of nationalised oil and iron ore enterprises.

But above all, the increase in revenues has given a new impetus to the policies of diversifying exports, developing backward sectors of the economy (especially agriculture), and improving social conditions.

The five year plan

Venezuela's new $37,000m, five year development plan was outlined by Dr. Gumersindo Rodriguez, Minister of State for Planning, on 28 May this year. The objective is greater purchasing power for the poor and full utilisation of existing manufacturing capacity in the country. The economy, he said, would be expanded by redistribution of income to establish new patterns of spending power and open up 'magnificent' opportunities for all consumer goods industries.

Top of the list

Plans to stimulate agricultural production and efficiency currently top the list of Venezuelan priorities. Not more than 50 years ago when coffee and cocoa were the country's staple exports, agriculture was at the centre of Venezuela's economy. Oil, which now accounts for 97 per cent of Venezuela's exports has changed all that. Only 2 per cent of the country's area is under cultivation and agriculture contributes a mere 6 per cent of the gross national product.

So after some 30 years of agricultural neglect, Venezuela now spends $165m on agricultural

Venezuela's main suppliers
$ million

	1972	1973	1974
USA	923.64	1,032.48	1,768.08
Japan	183.36	193.68	398.40
W. Germany	222.00	240.84	330.61
Italy	125.40	129.48	211.29
Canada	147.96	103.08	166.11
France	82.56	103.56	141.03
United Kingdom	106.44	95.76	117.96

imports annually and is extremely short of management and technological expertise.

Determined to remedy the situation, the Government has unveiled a five-year investment plan worth some $4,700m, creating an immense requirement for plant and machinery and associated technology. The aim is to increase agriculture's contribution to GNP to 8 per cent by 1979.

In a bid to treble sugar production by 1980, the sugar agency of the Ministry of Development (CENAZUCA) will spend a total of $70m. A further $110m is to be ploughed into coffee and cocoa production.

The plans for agriculture will involve the extensive use of Venezuela's water resources and the construction of numerous dams and reservoirs. An estimated $950m will be spent on flood control, land reclamation and irrigation in the States of Portuguesa, Barinas and South of Lake Maracaibo. These have been designated the principal regions for livestock and for sugar, rice, maize, bananas and garden produce. Opportunities for food processing equipment and technology will be created as a result of a drive to develop agro-industrial products such as palm oil and coconuts. Forest products and sheep rearing are also to be developed by Corpoandes, the state development organisation for the Andes region, with the aid of $470m and generous tax exemptions.

Agriculture infrastructure plans include building rural roads and the development of basic services, such as the organisation of new marketing facilities for farmers.

Venezuela has 2,000km of Caribbean coastline, but only a minor fishing industry with a small in-shore fleet. Allied to agricultural development is a plan to spend $24m per annum over the next five years on a 'root and branch' reorganisation of the country's fishing industry. Venezuela's requirements range from fish population studies and a new deep-sea fishing fleet, to port facilities, processing and freezing plant, plus marketing and technical know-how. Britain is well qualified to play a significant role in the reorganisation programme.

Diversifying into steel . . .

In the vanguard of Venezuela's industrial strategy is a rapid expansion of the steel industry, quadrupling production from 1.2m tons to 5m tons annually by 1977/8. The ultimate target is for Venezuela to become a major world supplier of steel by the mid-1980s with an annual output of 15m tons. At the moment, iron ore exports, Venezuela's second export after oil, do not cover the cost of her steel imports.

Expansion of plant capacity to 5m tons per annum is based upon the current Siderurgica del Orinoco (SIDOR) Plan Four under the supervision of the Guayana Development Corporation (CVG). The location of the next two plants of similar capacity has not yet been decided, but one seems likely to be built in Zulia on Lake Maracaibo in Western Venezuela.

Invitations to bid for projects in Plan Four have been coming out for the past year or so. Several British firms have pre-qualified for the 'Plan Four' stage, but comparatively few have made bids. The total cost of the first stage of the development (to 1977) was estimated last year at $2,250m, of which plant will account for $1,300m. Supervision of the project will be handled by an international team, including a firm of British consultants, working with SIDOR's own engineers.

Apart from plant and equipment, Venezuela's steel development programme will need a massive transplant of managerial and technical know-how, which a number of British firms are well placed to provide.

The steel programme will naturally depend on the development of the country's iron ore mining industry and Venezuela's five-year plan has set aside the sum of $1,600m to establish a coherent policy for the general development of mineral resources, especially coal, but also including nickel, gold and aluminium.

. . . and petrochemicals

Elsewhere in the industrial sphere Venezuela's plans concentrate on the petrochemicals sector. A total of $3,650m is earmarked for an ambitious programme now being drawn up by the newly-established National Petrochemicals Council. In addition, the Ministry of Mines and Hydrocarbons has announced its intention to build a new type of oil refinery at Zulia with an initial investment of $400m. Designed to process heavy crudes with substantial metal and sulphur content, the project will have a first stage capacity of 100,000bpd, which will be eventually doubled.

Transport and telecommunications

Venezuela also has considerable development plans in the whole field of communications, from transport to telecommunications.

VENEZUELA
So little time, so much to do

Opportunities for consultancy, training, construction and supply of rolling stock, have emerged through the plan to construct 3,376km of railroad to haul freight from the industrial regions to the Caribbean ports and centres of population. Completion of the first stage – 1,411km – is scheduled for 1979. Construction should begin later this year.

In Caracas, meanwhile, the Ministry of Transport has given the go-ahead for a 48km rapid transit system to be built in three stages, each costing $350m. A British firm of consultants has been commissioned to provide electrical, mechanical and civil engineering advice for the second stage in conjunction with two local firms. Tenders for electrical and mechanical equipment should be invited in a few months' time.

At sea, Venezuela's merchant fleet has expanded over the years but is still not large enough to carry more than a small proportion of the country's seaborne trade, while there is no shipbuilding industry. The Government now proposes to spend $700m on a shipyard and shipbuilding programme which creates a whole range of opportunities for foreign expertise in shipyard construction, shipbuilding and personnel training for at least 10 years to come. The plan provides for a state-owned company to concentrate on naval vessels and tankers, whilst mixed companies (where the state has 51 per cent ownership) will oversee the construction of ships for the merchant and fishing fleets.

On the posts and telecommunications side, there are plans for two automated postal centres in Caracas and Maracaibo at a total cost of $14m. In addition a new automated telegraph centre is planned for Caracas, while the State Telephone Company (CANTV) expects to spend an average of $35m a year during the next five years on projects including new telex networks and microwave links.

Meanwhile, there is a whole new range of opportunities for British plant and expertise in the field of electricity generation and transmission. The Government proposes to spend $240m on electricity supply development projects. Plans here include the use of coal and cheap fuels and the maximum use of hydroelectric power; the potential offered for this purpose by the Caura, Orinoco, Ventuari, Caroni and Uribate rivers will be utilised. And there will be feasibility studies to consider, for example, the use of nuclear power.

Large-scale building

Large-scale building projects will naturally form an important part of Venezuela's development programme, providing particularly opportunities for planning and management services. Some $8,700m has been allocated for houses, schools, hospitals and other public buildings. At the same time, industrial and urban expansion will necessitate technological assistance in the fields of town planning and environmental pollution control and in establishing water, sewage and waste disposal services.

Consumer products

In the main, Venezuela's own consumer goods industries, which are well protected from foreign competition, are able to cater for the domestic market. However, new prospects for commercial vehicles could well result from British Leyland's recent award of an £11m bus contract. At the same time, the creation of a free port on Margarita Island in April has opened up new opportunities for British luxury products. Despite the absence as yet of an adequate commercial infrastructure on the island, business there is booming.

The private sector

The public sector of Venezuela's development plan naturally looms large. It should not be forgotten, however, that the private sector is important in all fields.

The private sector point of view was given by Dr. Mauricio Garcia Araujo, the Chief Financial Adviser to the Vollmer group of companies in Venezuela, during a seminar on Venezuela in London in May. 'Financially speaking,' he said, 'the Government has become a giant in my country. Petroleum has made it so.' He pointed out that the two major political parties in the country believed in 'Capitalism by the State' – that is to say, ownership and administration not only of all basic industries but also of many other economic activities as well.

Nevertheless the private sector had a major role to play in Venezuela's development plan, contributing 'leadership, promotion, and flexible adaptation. Active participation by local and foreign entrepreneurs is now, more than ever, indispensable for our social and economic development.'

Achieving a stake

'So little time, so much to do.' These words, which provided an epitaph for the early 19th century Latin American *Libertador*, Simon Bolivar, ring very true in Venezuela today.

Venezuela is in a hurry to put her oil wealth to constructive use and to increase her productive capacity and real wealth after years of relative stagnation. The massive development plans have created excellent opportunities for all areas of British industry and technology. How then can we win a bigger stake in the market?

'One of the impressions formed by the CBI mission which went to Venezuela in March of this year was that the United Kingdom was lagging behind its main competitors in exploiting the major opportunities which the Venezuelan market affords for exporters of capital goods, for the service industries and for investment.' This was the view of one of the members of the mission, Christopher McAlpine, who is also Chairman of the Canning House Latin America Economic Affairs Committee. 'Venezuela's vast programme of industrial expansion will increase its demand for imported capital goods and for engineering and other consultancy services. Venezuela has in the past looked predominantly to the United States for her capital goods and technical services; she is now interested in diversifying her sources of supply and is looking increasingly towards Europe. The United Kingdom should be able to take advantage of this situation.'

One of the major barriers to success in recent years has been the apparent reluctance on the part of British businessmen to go and see the market opportunities for themselves. Conducting trade from a distance will not bring success in a market where the prime requisite is on-the-spot representation.

And as Mr. McAlpine emphasised, 'There is no lack of good agents or of good advice, from the British Embassy and Chamber of Commerce for example, on the right way to approach potential business in Venezuela. But Venezuela is a market where first-hand knowledge of local conditions and personal contact are extremely important. To succeed in business one has to go there. And the time for that is now.'

Co-operation and joint ventures

A long-term foothold in the market will, above all, depend on an ability to co-operate in joint ventures with local companies, responding to Venezuela's vital need for managerial and technical know-how, from project planning to marketing. Indeed, Venezuela's shortage of trained manpower is so acute that the provision of training and technical assistance will often be the deciding factor in clinching a contract.

'There is considerable interest,' said Mr. McAlpine, 'in acquiring British technology, in engaging the services of British consultants and in arranging the training of Venezuelan managers and technicians with British firms in the UK. Offers of UK training and technical assistance are virtually essential to the winning of capital goods contracts. There is also scope for the offer of complete packages of planning, design, engineering, procurement and finance for major capital projects, particularly in the public sector.'

Much the same point was emphasised by Dr. Garcia Araujo. 'In such cases,' he said, 'it will work to your advantage if you can present a package, including designing, equipment, construction, installation, personnel training and start-up operations.' He felt that the opportunities 'will be best in export-oriented industries, particularly in petrochemicals, special steels, metal-mechanics, shipbuilding, electrical equipment, and the like'. And he stressed that 'in all cases, some sort of partnership or association with Venezuelan investors is strongly recommended'.

Reporting from Caracas, Donald Hamley, Commercial Counsellor in the British Embassy, feels that there is 'wide scope for UK firms to participate in joint ventures in Venezuela, where there is an acknowledged lack of ideas for new industrial projects across the board from agro-industry to high-technology products'. He added, 'the Department of Trade, in consultation with the Embassy in Caracas, will be happy to advise firms interested in looking into the possibilities.'

The Andean Group

Naturally, any foreign firm participating in joint venture projects in Venezuela will have to conform with the legislation on foreign investment arising from 'Decision 24' of the Andean Group. In practice, the implementation of the regulations is still under discussion and so far they have had a minimal effect as far as British investment in Venezuela is concerned. All in all the regulations are much the same as investment controls currently in practice or being introduced in Argentina, Brazil and Mexico.

Growth 'our business'

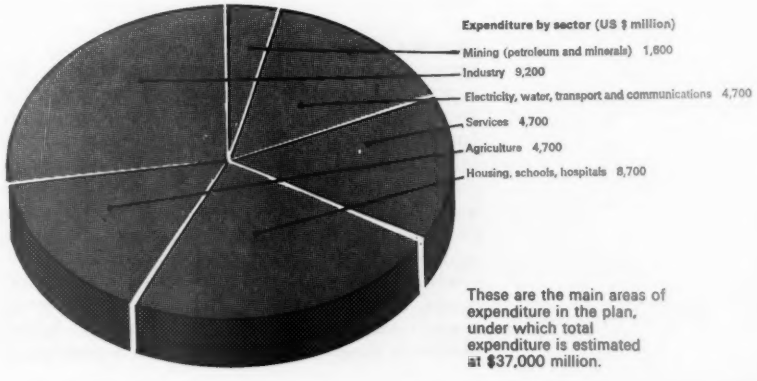
'In a world riddled by inflation, high prices for crude petroleum will mean nothing,' said Dr. Garcia Araujo, 'unless we are able to transform those prices into industrial capacity which represents our best option for self-sustained growth. Growth,' he said, 'is our business.' And he pointed out that 'in the implementation of our projects and in the achievement of our goals, Great Britain can be of great help to Venezuela.' Britain had hundreds of years of experience and development: 'We can use that experience.' It's an invitation that shouldn't be ignored.

VENEZUELA

Population	11.5m
Gross domestic product (1974)	$31,140m
Income per head (1974)	$2,100
UK exports	
1974	£50.3m
Jan.-April 1974	£13.0m
Jan.-April 1975	£20.7m
UK imports	
1974	£135.2m
Jan.-April 1974	£42.5m
Jan.-April 1975	£47.2m

Currency
£1 = 9.7 Bolivar
$1 = 4.3 Bolivar
(as at 23 June with £1 = $2.27)

Venezuela's Five-Year Plan 1975-80



These are the main areas of expenditure in the plan, under which total expenditure is estimated at $37,000 million.

How BOTB helps

'There is still a great demand, especially in the OPEC markets, for British goods and services, and we cannot afford to miss any opportunities.'

The words are those of Sir Frederick Catherwood, Chairman of the British Overseas Trade Board. Backing his judgement, the Board is actively engaged in bringing the opportunities to exporters' notice and offering a sophisticated range of services and commercial intelligence to help British firms in their transactions with the OPEC countries.

Major projects

The Board is especially concerned that Britain should win a substantial share of the multi-million pound capital developments being instigated in several of the oil-producing countries. To this end their Overseas Projects Group provides a focal point to which British consultants, contractors, manufacturers and bankers can turn for the co-ordination of Government help in securing very large contracts. The Group responds to requests by firms for assistance and also takes the initiative in encouraging them to go after a particular contract – in which latter case the Group may help to form a suitable consortium.

At the end of May the Group had 133 projects worth over £11,000m on its books for the OPEC countries, although this figure includes some local elements for which UK firms would not be bidding. Of the projects, five concern airport development, nine are for petrochemical plants, five for telecommunications, five for hospitals and four for steelworks. Also among them are railway schemes, power stations and general construction. The vast economic development plans which the OPEC countries can finance from their oil revenues will generate more large capital schemes, and the Overseas Projects Group will continue to give them particular attention.

Showing the customer

Increasing numbers of British firms in both the capital and consumer goods sectors are using the Board's joint venture scheme to exhibit at trade fairs and exhibitions in the OPEC countries. In September 1974 the Board sponsored 20 British companies to exhibit in the British pavilion at the Algiers International Trade Fair. They made direct sales of about £250,000 and six of the British companies sold all the equipment they had on show at the Fair. The British goods on display included textile machinery, forklift trucks, oilfield production and drilling equipment, cranes and printing machines. Another British pavilion is planned for the 1975 fair in September.

In Indonesia, the first British Industrial Exhibition was held last November, and with the support of the Board over 30 British firms exhibited. They obtained £200,000 worth of firm orders during the exhibition. British products on show included machine tools, electrical generating and power transmision equipment, welding and construction plant, air conditioning and refrigeration equipment and other goods ranging from agricultural tractors and printing machinery to instrumentation and navigational aids. The British exhibits were selected for their suitability to the Indonesian market and with special reference to the Second Five Year Development Plan, 1974-79.

The first Iranian exhibition specifically devoted to the products of the world's construction industries was held in June 1975. With the support of the British Overseas Trade Board and sponsored by the Building Materials Export Group, 47 British firms took part in a joint venture display showing some of their latest construction techniques including heating, ventilation and insulation systems, roofing materials and building finishes.

During the four months June-September 1975, the Board is supporting 215 British firms at three major events in OPEC countries, including the joint venture in the International Building and Construction Fair in Tehran just mentioned. From 22 August-7 September, 19 British companies will be showing motors, machine tools and other capital equipment in the British pavilion at the International Trade Fair in Algiers. In September, at the Third International Trade Fair in Tehran, 150 British companies will have exhibits ranging from construction equipment to cattle.

Visiting the markets

More and more firms are taking advantage of the Board's outward mission scheme to visit OPEC markets. In April a mission organised by the Board and the North of England Development Council returned with substantial orders after visiting Saudi Arabia, Bahrain, the United Arab Emirates and Kuwait. Business arising from the mission included a definite order worth £100,000 gained by Elliott Equipment of Brighouse, West Yorkshire for equipment including a large motor grader for road levelling. In Jeddah, an inquiry which could be worth over £4.5m was received by Broughton Moor Green Slate Quarries Ltd., who supply green and blue-black slate for cladding. Slemo Ltd. of Ashford in Kent received an inquiry for an estimated £500,000 worth of load-bearing panels and staircases.

Earlier, in March this year, 20 engineering com-

Scotland
314 St. Vincent Street, Glasgow G3 8XF (041-248 2855, Telex 77583). Export Director: J. E. Milne (ext. 254).

Wales
Government Buildings, Gabalfa, Cardiff CF4 4YL (Cardiff (0222) 62131, Telex 49267). Export Director: A. Kitchen (ext. 480).
North Wales: Government Buildings, Dinerth Road, Colwyn Bay, Clwyd (Colwyn Bay (0492) 44261).

Northern Ireland
J. T. B. Quan, Assistant Secretary, Department of Commerce, Chichester House, 64 Chichester Street, Belfast BT1 4JX (Belfast (0232) 34488, Telex 747025).
Export Director: Miss Joan Dixon (ext. 321).

North
Northumberland, Tyne and Wear, Cleveland, Durham and Cumbria (except the Employment Office areas of Barrow-in-Furness, Dalton-in-Furness, Ulverston and Grange-over-Sands).
Wellbar House, Gallowgate, Newcastle upon Tyne NE1 4TR (Newcastle upon Tyne (0632) 27575, Telex 53178).
Export Director: M. J. Maddigan (ext. 427).
Cumbria: Town Hall, Cockermouth, Cumbria CA13 9NP (Cockermouth (090-082) 3498/9, Telex 64173).

North-West
Cheshire, Lancashire, Merseyside, Greater Manchester, High Peak District of Derbyshire and that part of Cumbria in the Employment Office areas of Barrow-in-Furness, Dalton-in-Furness, Ulverston and Grange-over-Sands.
Sunley Building, Piccadilly Plaza, Manchester M1 4BA (061-236 2171, Telex 667104). Export Director: M. F. Hedge (ext. 669).

Yorkshire and Humberside
North, South and West Yorkshire and Humberside.
Priestley House, 1 Park Row, Leeds LS1 5LF (Leeds (0532) 443171, Telex 557925). Export Director: J. Lister (ext. 287).

West Midlands
Salop, West Midlands Metropolitan County, Staffordshire, Warwickshire, Hereford and Worcester.
Ladywood House, Stephenson Street, Birmingham B2 4DT (021-632 4111, Telex 337021). Export Director: L. A. C. Newns (ext. 585).

East Midlands
Nottinghamshire, Derbyshire (except High Peak District), Leicestershire, Lincolnshire and Northamptonshire.
Cranbrook House, 47 Cranbrook Street, Nottingham NG1 1ES (Nottingham (0602) 46121, Telex 37143).
Export Director: G. T. Plant (ext. 287).

South-West
Cornwall (including Isles of Scilly), Devon, Somerset, Wiltshire, Gloucestershire, Avon and Dorset.
The Pithay, Bristol BS1 2PB (Bristol (0272) 291071, Telex 44214).
Export Director: R. A. Calver (ext. 246).

BOTB Regional Offices

panies went on a mission, organised by the Board and the Engineering Industries Association, to Tehran and Baghdad. It proved to be a profitable journey with orders for pumps, machine tools, and an agreement signed for a joint venture with an Iranian company for the local manufacture of general engineering fabrications. Bob Scott, leader of the mission told us, 'The members of this mission have confidently and successfully cashed in on the vast opportunities which are available in Iran for the UK engineering industry.'

A visit to Nigeria also proved profitable for members of a mission, organised jointly by the Board and the Birmingham Chamber of Commerce in September 1974. During the mission's two week visit an estimated £3.3m worth of business was negotiated. The range of goods included equipment for the petrochemical industry, sanitary ware, domestic hardware, automotive equipment, packaging materials, jewellery, tinplate and machinery, quarry plant, industrial and commercial lighting equipment and consumer goods.

Between September 1975 and June 1976 the British Overseas Trade Board is certainly sponsoring 17 outward missions to the OPEC countries and it is likely that a further 20 missions will be arranged up to the end of 1976. Of the 17 missions so far agreed, four will be going to Venezuela, three to the Gulf States, two to Iran, three to Nigeria, one to Indonesia, one to Ecuador, one to Kuwait, one to Iraq and one to Saudi Arabia.

Besides supporting outward missions of British businessmen, the Board also provides assistance for foreign buyers to visit Britain under its inward mission scheme. In September, an inward mission consisting of experts from Iraq, Iran, Jordan, Libya and Saudi Arabia is coming to Britain to look at defence communications systems at the invitation of the Board and the Ministry of Defence.

Talking about trade

To bring specific British products, processes or services to the attention of equally single-minded buyers, users and technological experts abroad, the Board offers special help for overseas seminars and symposia. As an example of how this facility can help British companies, the Board, in collaboration with the Software Houses Association, the Central Computer Agency and the National Computing Centre, organised in Beirut during April a seminar on computer services in government departments and state organisations.

The purpose of the seminar was to promote consultancy services such as method know-how and training courses, and the associated software. The Board arranged invitations for over 100 Lebanese officials and representatives from 15 other Arab countries. The subjects of papers at the seminar included the role of consultants, project control techniques, the stages of implementation, the development of domestic software capability, and working towards a national computer plan.

Export intelligence and research

Two more facilities available from the Board are the Export Intelligence Service and the Export Marketing Research Scheme. In 1974 a total of 5,424 items of export intelligence relating to the OPEC countries was mailed to 6,500 EIS subscribers. For Algeria there were 682 items; Ecuador, 155; Indonesia, 232; Iran, 439; Iraq, 1,722; Kuwait, 766; Libya, 242; Nigeria, 247; Qatar, 249; Saudi Arabia, 299; United Arab Emirates, 138; Venezuela, 253. Since March 1974 the Export Marketing Research section has approved 27 projects for OPEC countries.

Hints

For any businessman travelling overseas the Board offers free booklets in its Hints to Business Men series. Separate titles are available for all the OPEC countries. They give general information about the country concerned – travel (including health regulations, currency, customs, and passports), hotels, import and exchange control regulations, methods of doing business, and government and commercial organisations in the country.

Other services

These are the main services for exporters which are provided by the British Overseas Trade Board, but further help can be made available to individual inquirers. For instance, status reports about the commercial standing of overseas firms can be obtained from Export House, or from Regional Offices of the Department of Industry. The Statistics and Market Intelligence Library in Export House is open to the public free of charge; it contains one of the largest collections in the world of up-to-date statistics about world trade. Statistical year books, development plans and international directories are available, and there is an easily consulted wall-index.

Essential information for all UK exporters – selling to OPEC countries or elsewhere – is contained in the Board's Export Handbook, obtainable free from Room DO5, Export House, 50 Ludgate Hill, London EC4M 7HU. (Telephone 01-248 5757).

What can ECGD do?

ECGD facilities are of major interest both to firms engaged in capital goods and major project business, and to those exporting goods sold mainly on short-term credit. In 1974 ECGD's total business in OPEC countries rose by nearly a third to reach £626m.

This article indicates briefly what these facilities are, including the schemes for cost escalation cover and performance bond guarantees announced earlier this year.

Consumer products

ECGD helps exporters of consumer and consumer durable products mainly by giving protection against political and commercial risks of non-payment, and by making it easier to finance credit granted to customers overseas.

The Comprehensive Short Term Guarantee covers only goods sold on credit of up to six months. But a supplementary policy is also available for 'production line' goods sold on up to five years' credit.

The short term policy is designed to cover the whole of an exporter's business. This overall form of cover is convenient and – because it provides the widest spread of risk – it enables ECGD to give the fullest security at generally low premium rates. Under the new insurance policies introduced in April this year the paper work involved in these guarantees has been reduced considerably.

Some exporters may have special reasons for excluding certain markets from their policy. If they offer a reasonable spread of markets ECGD will still insure them so long as the selected markets are acceptable, but at rather higher premium rates.

Under the Comprehensive Guarantee the exporter is insured against non-payment as soon as the goods are despatched or, if he so chooses, from date of contract. The exporter is quoted a single rate of premium for all markets and all terms of payment. Premium is paid in two parts – annual and monthly. Annual premium is calculated according to export turnover and use made of the credit limit service; at present the minimum rate is £50. Monthly premium is charged on declared business. Each month the exporter declares the goods despatched and is invoiced for premium at the rate quoted.

Exporters do not have to clear every contract with ECGD. Up to a specified 'discretionary limit' – usually £2,500 – they can approve their own contracts provided certain safeguards are taken. Over this figure a simple form is used to obtain ECGD approval to insure trade with any particular buyer. ECGD has credit information on some 200,000 buyers and an extensive network of contacts for obtaining it on those it doesn't know.

ECGD's 10 regional offices have now taken over issuing policies, assessing premium and other administrative tasks previously done by the London headquarters.

Besides giving protection against non-payment an ECGD policy can often be used to help exporters finance credit given to their customers. The fact that an exporter holds a policy is likely to make his bank manager more ready to advance the necessary finance. But he can also formally assign to the bank any payments due to him under his policy. In many cases ECGD is also prepared to give a 100 per cent repayment guarantee direct to the bank. In this case the bank advances finance at favourable rates of interest. For credit under two years the rate is half per cent above base rate.

Capital goods and major projects

ECGD supports capital goods exports mainly through Specific Guarantees and 'buyer credit'.

Specific Guarantees insure one contract only against non-payment on broadly the same conditions as the Comprehensive Guarantee. (The main difference is that only 90 per cent instead of 95 per cent of the contract is covered against loss from a 'political' cause under a Specific Guarantee. The premium is also generally considerably higher.) ECGD also gives 'Specific' bank guarantees in respect of contracts of this kind. The interest rate on loans supported by these guarantees is at a special low 'export' rate for credit extending beyond two years. From two to five years the rate is from 7 per cent. Over five years the rate is from 7½ per cent.

Alternatively ECGD can support loans made direct to the buyer under a buyer credit. Under this arrangement the exporter is paid in full on shipment (or earlier if progress payments have been arranged). He is paid 80 or 85 per cent of the contract price from the loan and the remainder from the buyer's own resources.

ECGD guarantees the loan to 100 per cent of the capital plus interest against non payment for any possible reason. An advantage of buyer credit is that the exporter does not have to be concerned in the financial arrangements once the credit is set up. But, because ECGD needs to examine the contracts,

arrangements tend to take longer to set up than those for supplier credit.

One of the outstanding examples of the use of the buyer credit technique is in the development of the gas and oil resources in Algeria. In September 1974 ECGD backed a loan of nearly £20m to Sonatrach for the construction of a gas pipe line between Hassi R'Mel and Skikda bringing the total backed for gas and oil development in Algeria in the last five years to £71m.

Additional measures

Recently the Secretary of State for Trade announced schemes by which ECGD can cover certain increases in UK manufacturing costs for large capital goods contracts and can guarantee the issue of performance bonds for really large projects.

Performance bonds

There is now a widespread insistence on providing performance bonds for project business, but currently exporters may have difficulty in getting these through the usual channels. For projects over £2m, where UK contractors are unable to arrange performance bonds in the commercial market, ECGD may be able to guarantee their issue. The first bond of this kind, announced in May, was for a £46m contract to build a highway in Iran.

Cost escalation cover

ECGD's cost escalation scheme applies to export contracts worth over £2m signed after 20 February. Only the United Kingdom costs of the capital goods elements of these contracts are eligible for cover. The supplier (or buyer) bears an annual cost increase equivalent to a minimum of 10 per cent of the eligible part of the contract value while ECGD provides cover for 85 per cent of the next 10 per cent only. For contracts on a cash basis the exporter (or buyer) bears an annual increase equivalent to a minimum of 10 per cent of the eligible costs, with ECGD covering 90 per cent of the next 15 per cent. The premium rate for cost escalation is £1 per cent per year of the eligible value. In order to get cover under the scheme exporters must discuss their requirements with ECGD before committing themselves to a firm price.

To find out more

Fuller information on all these facilities is available from ECGD's regional offices or from its Publicity and PR Branch, Aldermanbury House Aldermanbury, London EC2P 2EL (01-606 6699, ext. 258).

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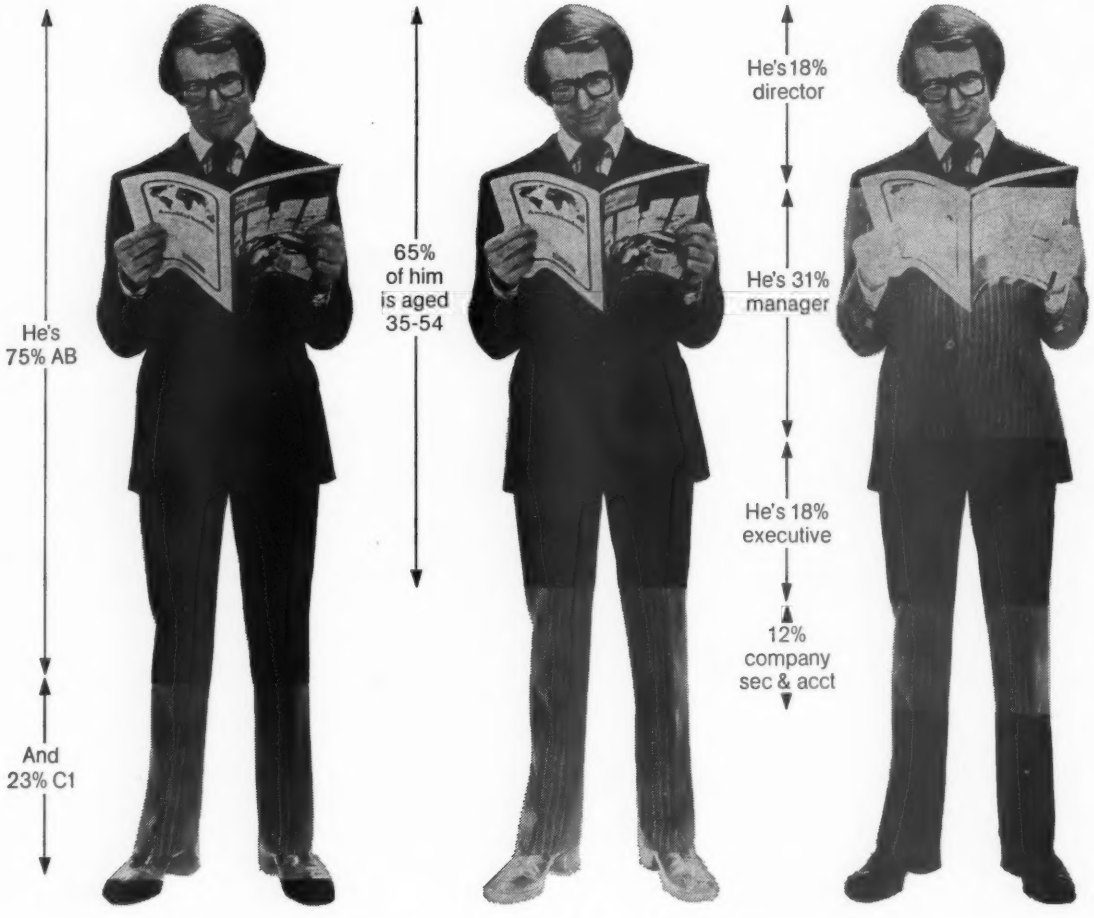

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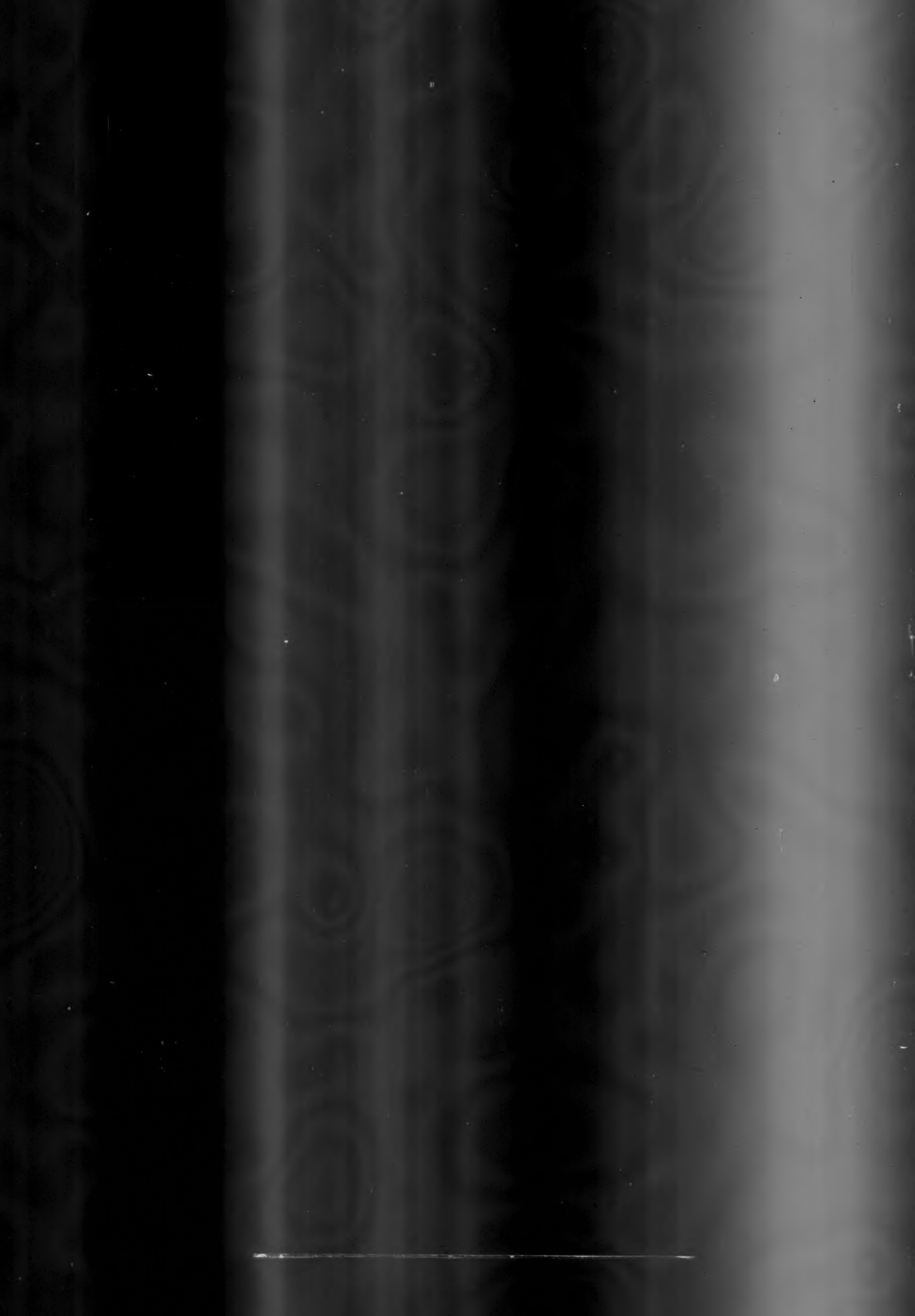
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